

**INSIDE: A NEW ADVANCE IN THE
SEARCH FOR A CANCER CURE**



Maclean's

DECEMBER 16, 1992

CANADA'S WEEKLY NEWSMAGAZINE

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THE ANGRY PHILIPPINES



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CANADA'S WEEKLY NEWSMAGAZINE

Maclean's

DECEMBER 30, 1990 VOL. 16 NO. 50

COVER

The angry Philippines

When Corason Aquino, the widow of assassinated Philippine opposition leader Benigno Aquino, decided last week to challenge Ferdinand Marcos in a presidential election on Feb. 7, the stage was set for a dramatic and classic political battle. In it, a political neophyte will confront the electoral machine of an entrenched ruler.

—Page 32

COVER STORY BY CHRISTOPHER HOBBS AND JANE LEE



An advance against cancer

The novel cancer treatment announced by doctors in Washington last week brings with it the promise of a new era in the fight against a terrible scourge.

—Page 37



A feast of holiday reading

The season's gift books appeal primarily to the eye. But their dazzling illustrations can accompany serious reading—sometimes practical or even life-saving.

—Page 61



A new alignment of power

Robert Desautels' Liberals swept to power in Quebec and he promptly staked out "a certain shared ground" with Ontario Premier David Peterson.

—Page 10



Creating a new kind of Mary

As Mary Richards, Mary Tyler Moore played a decent, loyal and dependable friend to TV viewers. In her new situation comedy she is older and glibber.

—Page 16

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Casting a sober vote

Bespattered James Gottfredson, owner of the Winkler Motor Inn, 80 km southwest of Winnipeg, is a man who does not give up easily. On Oct. 25, for the seventh time since 1967, the 5,000 residents of the progressive farming community voted against allowing the sale of wine and liquor locally. Gottfredson, a 53-year-old Lithuanian businessman in a largely Mennonite town, has been the most vocal pro-liquor lobbyist, and he will likely press for another referendum after the legal time limit of three years has elapsed. Said Gottfredson: "We are slowly winning." In the town's early contested first liquor referendum in 1967, only 51 per cent of the voters were in favor of selling liquor. Last October, 44.1 per cent were on the side of the "wet." Said Gottfredson: "Wetters. Liberal people are tired of being dictated to by the old and by narrow-minded hypocrites."

The sale of liquor first became an issue for Winkler in 1886. Until then the only public drinking houses in Manitoba were for beer parlors. That



Gottfredson: wet, dry, Topoville?

year the province amended the Manitoba Liquor Control Act so that municipalities could pass bylaws allowing the sale of liquor and wine. Communities were also permitted to vote to stay dry, and more than 10 communities have chosen to do so.

Winkler voted to keep all hard liquor and wine out of town, but it allowed the Stanley Hotel Beer Parlor, a century-old men-only bar and hotel, to continue operating. Gottfredson, a Winnipeg businessman, bought the run-down 12-room hotel in 1975. When he closed it in 1995 he was able to transfer its beer license to his new establishment. Provided he can get full licensing, he plans to expand it to 60 rooms. "Business would jump 30 per cent if we could serve liquor with meals," he said.

He says his drive is based on his knowledge of local drinking habits, even though residents have regularly voted against liquor laws, they are not abstemious. Indeed, a branch of Alcoholics Anonymous operates in the town. And Winkler residents regularly drive 11 km west to Morden, a community that boasts four drinking establishments and a liquor store. The traffic between the two towns is so heavy that the junction where the Winkler and Morden highways meet has been dubbed "Killer Corner" because of the many accidents there.

Still, the issue is divisive. In the last three referendums friends of Gottfredson have watched the fire-bellied localities become, he said, the abetting churchgoers dragged people into the polling booths. "I know that they bring all those who can hardly crawl or walk," he said. "People would secretly like open liquor sales but they are afraid of being ostracized by their church." For his part, Pastor Randy Sawant of the Christian Fellowship Church, a campaigner for the dry side, vowed that there was any mention. The fact that the beer parlor remains in town "prevents us from being not fanatical," he said.

Library Winkler, the mayor for 28 years, manager of the Winkler Credit Union and an obstinate, also said that there are no heavy-handed tactics involved. Indeed, he has concluded that the "wets" will likely win their fight in the end. With a booming economy—\$20 million in building permits handed out in 1996—the traditions of the town may succumb to the pleasures of success. "But this is a religious community, and it takes a long time to change," he added. For now, Winkler residents will continue to weigh abstention and continue driving to Morden.

—PETER CANCELO-GEORGE in Winkler

Life with an ill wind

The Pincher Creek-Town Battle area is a stretch of ranch country 170 km southwest of Calgary. Local sheep and cattle ranchers Fred and Elmarc McGlynn can stand in their cluttered farmyard and see the Rocky Mountains rise on the western horizon. Depending on how the chinooks blow, they can also smell what Fred calls "powerful bad air." Sometimes, the odor is similar to that of rotten cabbage, at other times the air, he says, can smell "fizzy." But the arrival of the pervasive odor, almost always brings malaise. Elmarc says that it constricts her throat and gives her three children headaches and diarrhoea. According to the McGlynn and many of their neighbors, the bad air comes from Shell Canada Refinery's Waterton Gas Plant, one of the nation's largest and most profitable natural gas-processing operations 25 km away. For 24 years the area's residents have complained of its impact on their crops, livestock and health. Finally, last summer the Alberta government agreed to fund a \$5-million epidemiological study—one of the largest in Canadian history—to study their complaints.

About half of Alberta's \$5-billion natural gas production—8 per cent of the provincial economy—comes from the string of gas plants that runs parallel to the Rockies. Each day, in the course of turning highly toxic hydrocarbon sulphide, or sour gas, into marketable gas, plants emit up to 40 tons of toxic chemicals, including sulphur dioxide. But residents of the Pincher Creek-Town Battle area have complained the most for several reasons. Until a Gulf Canada Ltd. plant closed in 1963, there were two gas plants in the area, and unique local wind patterns would bypass some flares and concentrate fumes on others. As well, the area's ranchers, who spend more time outdoors than do Alberta's grain farmers, claimed that they observed adverse health effects on their families and their livestock.

The sour gas plants are a necessity of the local economy; the Waterton plant provides 215 jobs mainly for Pincher Creek, the area's biggest town. As a result, voters and politicians are reluctant to make any move that would close the industry away. Still, ranchers' protests have resulted in an small-scale health studies, all recommending further investigations. At the same time, many residents have man-



The McGlynn: corporate generosity

aged to adapt to the fumes. Because of her chemical sensitivity, Sophie Taylor, 54, now lives in a bungalow and commutes to her ranch 16 km away because the farm lies in the path of the flares.

It took both scientific consensus and a major accident to convince the Alberta government to undertake a full-scale study of whether the area suffered abnormally from ill health. In the early 1980s international scientists conclusively linked hydrogen sulphide with human health problems. As well, in 1982 sour gas leaked over the Alberta legislature during a 68-day blow-out at Lodgepole, 100 km west of the capital. Flooded with such firsthand experience of the bad air, the government formed the Acid Deposition Research Program to study the environmental impact. Then, last summer it paid for a massive McGill University project, which assembled 30 internationally respected scientists to study the local population. Their report is due in June, 1998.

Last June, the team, led by Dr. Walter Spitzer, head of McGill University's epidemiological department, descended on Hill Spring, a town 25 km south of Pincher Creek. There they set up 11 trailers and for 16 weeks collected 1,000 pieces of medical data about 2,300 area residents. To determine

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Victims of a drug raid

It resembled a scene from the popular television series *NYPD Blue*. Shortly before 6 a.m. last May 30, heavily armed policemen raided the Lady Sharvil, a 60-foot fishing boat moored at the Lakesport, N.S., wharf and seized 13 tons of bushwhack worth \$220 million—the largest bushwhack sei-

zure in North American history. The RCMP owed their victory largely to Kenneth Mitchell, a Lakesport businessman who had contacted them after the American drug smugglers had tried to involve him in the Canadian part of their operation. But while Mitchell remains in hiding under po-

lice protection, the semi-retail business he ran with his wife Blaine's twin brother, James Dooks, has closed. Instead, for the Dooks family—innocent bystanders in the police drama—the raid was the beginning of a personal ordeal of shattered hopes and financial hardship.

In October, 1991, James Dooks, just retired as a master corporal after 16 years in the Armed Forces, was looking for a place to invest his life savings. He decided to buy a 60-per-cent share in the one-year-old company, Shelburne Strip and Metal Ltd., that Mitchell had founded. The business prospered; by 1994, it was grossing \$500,000 annually. But meanwhile, for 19 months, Mitchell was acting as an undercover drug agent. He revealed that fact to Dooks on the day of the raid before disappearing into police protection—leaving Dooks unable to draw on his financial resources.

Three days after the raid, Sgt. Brent Crowhurst of the RCMP's Halifax drug unit visited Dooks to reassure him that the company would be compensated for its founder's departure. James MacDonnell, Shelburne's office manager, who listened to their conversation, recalled, "The impression he gave was that compensation would be forthcoming." But instead, Dooks discovered that Mitchell had frozen Shelburne's bank credit. He says that Mitchell was only following RCMP instructions, anticipating that the government would cover the company's \$300,000 overdraft. Indeed, Dooks said that several times over the summer Crowhurst told him to "wait one more month and we might have good news for you." But without compensation he was unable either to pay off the outstanding bank overdraft himself or to secure new credit. On Oct. 4, after laying off his staff of four, Dooks tucked a sign to Shelburne's front door. "Closed until further notice."

The company now owes creditors more than \$500,000. Dooks, who has found work in a bottle and metal depot, was unable to pay his mortgage and is selling his family bungalow. "I resent having to bear the brunt of the whole thing," he said, adding that he was considering suing the RCMP.

For his part, Crowhurst insisted that any pledge of compensation was merely Dooks's "perception." He refused to comment further. As for the Mitchells, the only way they can be reached in hiding is through the non-Bostonian, Dooks's wife, Carolyn, says that it will be a lean Christmas for their son, James, 15, and their daughter, Gayla, 17. She added, "I have no respect for the Moorsies."

—CIBBS WOOD is Lakesport.



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The perils of television

Neil Postman is one of North America's leading social critics and media theorists. A professor of media ecology in the department of communications at New York University, Postman became a celebrity in 1969 when he published his best-selling book, *Teaching as a Subversive Activity*, a provocative critique of education in the age of television. Subsequent books, including *Teaching as a Coercive Activity* and *The Disappearance of Childhood*, discussed the pervasive influence of the electronic media, especially TV, on American society. In his latest book, *Amusing Ourselves to Death: Public Discourse in the Age of Show Business*, published last month by Viking Penguin Books, Postman continues his analysis of the effects of television. Maclean's correspondent Morton Shulz interviewed him in New York.

Maclean's: What is television's impact on North American culture?

Postman: We use television to do everything for us, so it is right at the centre of our culture. Everything originates from that. It's not really like movies or rec-



Postman: showbiz, charisma, reason

The evening was simply classic.
The wine was Bouchard Aîné Beaujolais Supérieur.

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ords or the theatre. People go to the movies to see a show, not to get the news or the weather or the sports scores. I don't think that Canadians are quite so in love with television as Americans. Americans have made television the central source of their whole culture. Maclean's: How has television changed the way we communicate?

Postman: Television, because of its form and special nature, changes all serious public discourse into forms of entertainment, so that politics, public information, commerce, religion and news are packaged like Las Vegas shows. Let's take specific examples: politics and religion. Most political campaigns in America are conducted via the television commercial. It does not bother with providing people with complex issues or answers. A good political commercial simply tries to evoke an emotional response. Preachers on television present themselves as more or less charismatic characters. The religion they preach has no ritual, no theology, no ethics or dogma. There is nothing you really have to know or remember. Basically, what you have is the charisma of the preacher.

Maclean's: What is television doing to alter the news?

Postman: The news, like everything else on television, is packaged like a show and therefore the first principle is not to have anything on the news that is not instantly interesting. Television does open a window to the world, but it is a very peculiar world. It is a world in which there are no connections between one thing and another. Each story has nothing to do with any other. Everything is very fragmented and disconnected. As a result, Americans know of many things but they know about very little.

Maclean's: One of your conclusions is that television has created a need for us to be constantly entertained.

Postman: With television, the line between serious discourse and entertainment has been slowly eroded. For example, people such as Jesse Jackson, Ralph Nader, Gerald Ford, Henry Kissinger and Geraldine Ferraro, who could all be said to be political figures, appear on entertainment shows such as *Saturday Night Live* or *Cher*, or talk shows. So there is really no distinction between them as political figures or show business characters. You find manifestations of this in education, where increasingly teachers say they must entertain their students.

Maclean's: Why do you believe that Aldous Huxley's futuristic novel, *Brave New World*, was a more accurate prophecy than George Orwell's popular work, *Nineteen Eighty-Four*?

Postman: In Huxley's book people are controlled by inflicting pain, and in Huxley's they are controlled by reflec-

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ing pinpoints. So far as the Western democracies are concerned, we don't have Gwelf's big brother checking up on us. Our big brother is what Blazey called some, the drug that keeps everyone distracted and entertained and therefore quite controllable. He knew we did not need a complex structure of oppression to keep people in line. You could do it by making everything into a kind of large-on-air show.

Maclean's: How does television influence childhood?

Postman: It oversimplifies childhood. It's not always realized. It was, in effect, invented in the 19th century as a result of the creation of schools, and schools were created as a response to the printing press. This is the origin of the concept of childhood. Television undermines the whole idea of childhood because in the world of television you cannot keep secrets. You cannot separate the content of the adult's world from the child's. People of different ages who have access to the same information tend to think more alike, dress more alike and generally behave more alike.

Maclean's: Does American television have any virtues?

Postman: There are a number of intriguing questions. For example, television made the Vietnam War more and more repulsive to the public. I'm not saying that television necessarily inspired the antiwar movement, but I think that it made it a legitimate point of view. Television also plays an important role in making repulsive some forms of racism. To some extent that's working now in the South Africa issue. At 6 o'clock on T.V. of black people see the blacks in South Africa being attacked, having tear gas thrown at them and being beaten on the ground. That type of racism becomes unacceptable on television. Also people who are ill or elderly and don't have much access to the world very often find television a great blessing.

Maclean's: What can we do to lessen the negative impact of television?

Postman: I would stake my hopes on television, as weak as that might be. We should take the media—at schools, at university—seriously in our schools. Canadian scholars have been telling us to do this for years. Whatever I know about this, I mostly learned from Canadians. I don't just repeat the two obvious neo-conservative theories, Harold Innis and Marshall McLuhan, but critics from other fields such as Eric Hobsbawm, Edward Carpenter and Norbert Elias. It seems that there's a tradition in Canada of looking at the media and technology from a distance, and I think if we could achieve something like that in our American education system we would avoid a chaotic and satiating variety of the disastrous effects of television.

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On sale starting December 30, 1985

CANADIAN NEWS INTERNATIONAL
Maclean's
What's on your mind.

AN AMERICAN VIEW

A preacher eyes the White House

By Fred Branning

Bartholomew Joseph Raymond, the former little guru with the Rolls Royce automobiles, departed the United States abruptly last month after confessing that he had done some house-painting with U.S. Immigration laws. Resulted in the headquarters of India, Raymond described himself as a victim of personal persecution and vows never to return—good news for the folks in central Oregon who feel they endured quite enough of their former neighbor's odd behavior.

With the Bhagwan out of the way, Americans can address an area of church-state relations apt to cause more trouble than a hundred sessions in floor-length tracks and shiny limousines. Raymond was a poet and perhaps a second-rate but at least there was a track to his aspirations. So far as we know, the guru did not ponder a career in politics nor view himself as the next leader of the Western world. Riches, fame, adulation and his own airline seemed enough to keep him happy. Let someone else run the country.

Others in the clergy are not as easily satisfied. Last year, for instance, Jesse Jackson pursued the country's highest office with a nostalgic appeal to identify Americans and struggles from the 1960s. A smash on college campuses and late-night talk shows, Jackson failed to attract a broad cross-section of voters. He was black, of course, and that accounted for some difficulty, and he was a Democrat, which was the clincher. People were not in the market for a resurrection of the Great Society. Like all other aspirants of his generation last year, Jackson never had a chance.

Roll, his efforts made the idea of a preacher president that much more unlikely. We already had seen Billy Graham hanging around the White House, driving Richard Nixon's limousine, and Jerry Falwell has been known to whisper more than once in the ear of Ronald Reagan. Slowly but surely the clergy has been advancing on presidential turf and now, in the person of M.G. (Pat) Robertson, we have the most formidable entry yet.

Robertson is an imposing presence, to be sure—a Baptist minister with a Yale law degree, his own cable television system and a knack for fund-raising that makes the United Way seem so if it has been operating for decades stands all these years. One of Robert-

son's enterprises, "Operation Blessing," is said to have distributed \$50 million in 1984. His annual income of \$1 million is said to be modest. Opposing the Sundaevs of Nicaragua, so, in some at least, this particular "Blessing" may have been modest, indeed.

Recently, Robertson, 58, visited his southern headquarters in New Orleans to see results via the Christian Broadcasting Network, or the private private diplomatic in Central America. Robertson says he has been discussing with his former the prospects of occupying the White House. Hard at prayer he is these days, and sometimes says we can expect the preacher to announce his intentions. Whether or not he runs, Robertson says, will depend on God's will. Explains the minister: "It's a question of service."

Although he is the son of a former Democratic senator from Virginia, Robertson would seek office as a Republican.

Slowly the clergy has been advancing on presidential turf and now we have the most formidable entry yet

Robertson. This must bring waves of indignation to Vice-President George Bush, a skilful sort of moderate currently viewed as the GOP front-runner who now must contend with Robertson's audacious brand of conservatism. Whenever the opportunity arises, Robertson dominates "day-out" liberals and the transverse obstacles who lead our children toward "Marxism, socialism and a communitarian type of ideology." He once predicted that God would destroy the Soviet Union through a series of natural disasters—acid rain, drought, typhoons, for Moscow's recalcitrant political views.

Robertson claims that he has an intense relationship with the Lord and warns that those who oppose him do so at their own peril. When television producer Norman Lear demanded explanation to explain Robertson's own entry, he received a letter that said in part, "God himself will fight for me against you—and He will win."

His rhetoric may sound familiar but Robertson is closer than just another Fundamentalist with a talent for parking the pews. He was Phi Beta Kappa as

an undergraduate, did a tour with the marines and even bonded for a while in Golden Gate's competition. He speaks assertive, yet and is even building himself a college. But it is as host of *Cross The Line* that Robertson does his most impressive work. "He has a million regular donors, which is more than anyone else, except perhaps the Reverend Jerry Falwell," says Paul Winkler, a conservative lobbyist.

While most GOP regulars are likely to back Bush in 1988, it is clear that Robertson cannot be dismissed. He has been setting up what looks suspiciously like a post-presidential political organization and said recently that if God goes his the go-ahead, he would proceed in the presidential quest with considerable speed. "I don't do anything unless it is to win."

The implications of Robertson entering the race are considerable. He speaks of a large constituency—CPR reaches 30 million households and reaches more than 200 million annually—and even as a longshot candidate could exert significant influence on Republican policy. But the real worry is that Robertson's narrow view of nationalism affirms a complete exterior could be mistaken for divine inspiration, Republican style.

As Robertson's popularity increases, the religious right is as a roll. Recently, a group called the American Coalition for Traditional Values sponsored a two-day seminar in Washington with the theme "How to Win an Election." Hundreds of politically involved fundamentalists attended and they sound of plenty determined. "We're willing to pay the students to raise up the next generation of Christian leaders for America," said Rev. Tim LaHaye, chairman of the coalition.

Despite their allegiance to Traditional Values, fundamentalists seem entirely willing to shake the White House and the White House—alarming for those Americans with a sentimental attachment to the U.S. Constitution. Concerned parties are well-served in that case to watch Pat Robertson should the storm declare it.

His only mission is to explore the White House. Yet it might take a miracle for Robertson to win the nomination and then the presidency. But then a man who employs God as his campaign manager is not likely to expect anything less.

Fred Branning is a writer with *Newday* in New York.

Redrawing Quebec's contours

Robert Bourassa said that his first visit in nine years to the beige-carpeted corner office of the Quebec premier in Montreal on the 17th floor of the modern Hydro-Québec building last week "provided a certain sense of déjà vu." That was ironic, because Bourassa and his host, departing Premier Pierre Marc Johnson, swiftly got down to business. Three days after Bourassa's Liberal win a landslide electoral victory over Johnson's Parti Québécois—marked by Bourassa's personal defeat in his own riding—the political adversaries spent two hours poring over a 10-inch stack of manila folders dealing with government business. The most important item arranging the formal transition of power, which was scheduled to take place this week in Quebec City. Said Bourassa after the meeting, with a broad smile that was more eloquent than his words: "I feel very, very well about being back."

That night the premier-elect, celebrating a remarkable return to power after his humiliating defeat in November, 1976, hosted a dinner at the elegant Beaver Club restaurant. His guest was Ontario Liberal Premier Lewin Peterson, who came to power himself in June after four decades of Conservative rule. For the first time in 42 years the two most populous provinces are headed by Liberals, both of whom are committed to a new era of collaboration. Declared a meeting between a first-time premier and Peterson. "It's should not be interpreted too rigidly. But it is true that the fact we are both Liberals gives us a certain shared ground."

Although the Liberals had been widely expected to win the Dec. 2 election, the scale of the victory—39 of the 122 national assembly seats, with the Parti Québécois reduced to 83—indicated a transformation in the political attitudes of Quebecers that will ultimately be felt across the country. Most notably agreed that voters had turned away from the emotional nationalism of the 1970s and showed a renewed concern with hard-and-soft issues, a desire for real change and the hope that a Liberal government would produce an economic revival.

For the first time in nine years the province will be governed by an established pro-federalist party that is eager to sign a constitutional accord with Ottawa. As well, the fact that Canada's two most populous provinces will be governed by Liberals leaves the federal branch of the party in a position

displayed "impossible neutrality" during the Quebec election campaign, many federal Tories from Quebec disavowed the Parti Québécois, partly because the *Ministère* had helped them campaign in the 1984 federal election. Liberal features were also nullified when Johnson announced a joint federal and provincial aid plan to establish a \$600-million Ryndal car plant in Quebec. As a result, and despite Mulroney's long-standing friendship with Bourassa—he telephoned the Liberal leader twice last week—relations between the two governments will not be as warm as was once expected. One top Bourassa adviser told Mulroney: "We are prepared to work with the Tories where we stand to gain; but they will wait a long bloody time before they can expect any favors from us."

One potential early sticking point between Quebec City and Ottawa is the question of free trade with the United States. Bourassa says he favors "free, but not free," trade. Last week he added that while Quebec wants free exchanges with the international market, it will take a firm stand on being part of any trade agreement "when Quebec interests are involved." That statement is in accord with Peterson's calls for an integral provincial role in any future trade talks.

In the wake of the Liberal election victory, Quebecers for the most part were mostly accepting of the situation. In Prime Minister Brian Mulroney's cabinet, as a change of course. There are



Johnson with wife, Marie-Louise, after defeat: details

tion to rebuild its traditional power base in Central Canada.

Although the provincial Liberals unanimously guarded against any interference from their Ottawa "cousins," Bourassa and federal Liberal leader John Turner have established a telephone relationship in recent months that one friend of both men said "is much warmer in tone now than in the past." One possible reason: although Prime Minister Brian Mulroney insisted that his Conservative government

not intervene in the provincial election, it will take a firm stand on being part of any trade agreement "when Quebec interests are involved." That statement is in accord with Peterson's calls for an integral provincial role in any future trade talks.

neither direction nor conviction nor broken hopes." Still, the scale of the victory caused jubilation among Quebec Liberals. John Chénier, a member of the national assembly who was first elected in 1973, happily proclaimed the end of the long Liberal reign in opposition. "It has been nine years, 16 days, 25 hours, 21 minutes. This first general election with the Liberal's enormous success—second, in some only to the 500-members the party elected in 1973—Bourassa will have a plentiful pool of talent from which to draw in building the cabinet he planned to announce this week. Among those expected to fill key posts are former federal constitutional adviser G.D. Blais, who will be made responsible for interprovincial

relations—to the cabinet, which may be reduced from 39 to as few as 25 members.

But party members are aware that the aim of the majority also means that, as in the period from 1973 to 1976, Bourassa's government will be subjected to particularly close media scrutiny. As well, he faces potential opposition from the province's powerful trade unions, which clashed bitterly with him in his six years as premier, and the anglophone and ethnic communities, who remember him as the man who introduced the province's first restrictive language legislation. Bill 20. Bourassa already faces problems in the English community because of his apparent backtracking on

of Beauportville. The loss was the senior aide in Bourassa's remarkable comeback from political oblivion, and it is being interpreted by some Liberals as proof of enduring problems with his personal image. Said a defeated candidate: "Bourassa will have to be careful. Some people in Quebec are already starting to say we won despite him, not because of him."

Despite Bourassa's 5,275-vote victory in the riding in a by-election last June, some Liberals pointed out that the riding has a history of supporting the PQ. It was one of only 16 ridings to have a Liberal win in 1976. "I've seen the 1980 referendum on sovereignty-association. It's a disappointment, but it's not a great surprise to me," said Bourassa. "These things happen." Later in the week Bourassa aides indicated that he would run for a new seat in the west Montreal riding of Blainville-Bourgeois, where elected back-bencher Gilles Fecteau, who was by more than 12,000 votes, said he would step aside.

Bourassa marked the Liberal victory—and his Bertrand defeat—with the same official calm with which he accepted his humiliating loss in 1976. He received a telephone call from Mulroney at home at 4:30 p.m. on election night, during which the two men discussed the campaign and Bourassa's immediate plans. Then, he was driven several blocks to the University of Montreal pool to swim his daily 30 laps. In 1976 he learned of his defeat while swimming, and last week Bourassa was still in the pool when an aide told him of the first official indication of a Liberal sweep.

Later, Bourassa returned home briefly, then joined several of his top organizers in a suite at Montreal's Queen Elizabeth Hotel. Shortly before 10 p.m. he was driven in his government-issue Pacific Panoramica to the Liberal election headquarters at the east-end Pierre Charbonneau Centre, where a currently small crowd of about 500 supporters had gathered. Bourassa appeared stiff and uncomfortable during his 15-minute speech—bumpy, stilted and laconic, because he was suffering from a bad cold. But, added one close friend, "there is no question he was badly shaken by his loss in Bertrand. It put him off his stride." At 12:30 that evening he visited his riding headquarters in Bertrand.

For his part, Johnson spent the evening in his home, calmly of Angus watching the results with about 30 close friends and associates. Said Guy Verdine, one of Johnson's top political aides: "The mood was calm. The results came in and we just took them as they came." In fact, top Parti Qué-



Bourassa with family at home: a transformation in political attitudes

tal affairs, Daniel Johnson Jr., brother of the defeated premier, who was expected to get the finance portfolio, Pierre MacDonell, a former Bank of Montreal vice-president who was in line to be named attorney in several trade minister, and former journalist and Liberal leader Claude Ryan, who has been premier the situation portfolio. As well, Bourassa was considering the appointment of five non-Quebecers—including three anglophones and two members of other ethnic com-

an earlier Liberal promise to restore the right to have English along with French on commercial signs. Bourassa now says he will not make a decision on the matter until a court ruling, due next June, on the legality of the present law, which bans languages other than French on commercial signs.

Adding to those problems is Bourassa's surprising personal defeat in the South Shore Montreal riding of Bertrand, where he lost by 306 votes to Jean-Guy Parent, mayor of the suburb

blow organizers, seeing the impending defeat, initially made arrangements for Johnson to call Bourassa at a special hot-line number at 5:45 p.m. to concede defeat, but he later decided not to make the call. At 10:00 p.m. Johnson was driven the short distance to the Polytechnic d'Anjou, the local high school that served as party headquarters for the evening. Still the smiling PQ leader in his short but graceful speech: "The people have spoken and they wanted change. I accept their verdict without bitterness." Neither he

Liberal defeated 19 of 29 PQ cabinet ministers, including Finance Minister René Lévesque, Manpower Minister Pauline Marois—both former leadership candidates—Communications Minister Jean-François Bertrand and Transport Minister Guy Tardif. Even Johnson, who was expected to win the seat. Montreal's office of Anjou early, squeaked by Liberal challenger Denis Riordan with a slim 344-vote majority.

The party members now face a key decision about the direction of their party: whether to return the PQ to its

first stated aim to restore independence as an electoral issue. This he is unlikely to do. Asked last week if he regretted the decision to drop the sovereignty issue, Johnson said bluntly: "No." Some Quebecers, however, want the issue revived. Said Lévesque: "The bottom line is that provincial status for Quebec is already outstanding. Quebec is not a province but a country and a country that does not have the legal status is not free." The PQ must also decide what position to take when the new Liberal government holds constitutional discussions with Ottawa, probably next year.

Johnson admitted last week that his party made one for "reflection and discussion." But the PQ leader is unlikely to face such questions from his 22 remaining members in a caucus most of whom are considered legal. Pointing to polls showing that the PQ trailed the Liberals by 53 points last May, his supporters say his campaign performance saved the party from oblivion. Said Lévesque: "Industry and Commerce Minister Rodrigue Biron, in Quebec City for the final PQ cabinet meeting last week 'because of Mr. Johnson, we would have won easily four or five seats.' Johnson himself agreed with that assessment. Asked by a reporter whether he felt he had "rescued the party from a wipeout," he replied with a smile: "Oh, yes. I am certain of that."

In the short term, Johnson's first task is to prepare the party for a final hot overall sitting of the provincial assembly beginning next week. Bourassa has committed himself to passing a series of financial measures before Christmas, including the abolition of a nine-per-cent sales tax on the anniversary introduced by the PQ last spring and reductions of gasoline and alcohol license tax rates. Then, Bourassa will adjourn the assembly until at least mid-March, when the first regular session will begin.

Bourassa, who spent most of last week courting prospective cabinet members, said he also wanted now to "show Quebecers that what we promised one month ago is very quickly—and that means that action before Christmas." For his part, Johnson reacted calmly to the prospect of giving control of the government back to the man from whom he has nearly been nine years ago. "It is his for four years, maybe just three," declared a smiling Johnson. "Then we will be back—for a much longer time."

—ANTHONY WALDEN-SMITH AND
MICHAEL MALONEY—Quebec City and
MONTREAL, QUEBEC



Bertrand and Bourassa: two Liberal governments committed to collaboration

and Bourassa referred to each other in their speeches.

Two days before the vote a series of public opinion polls showed the Liberals with a lead of between eight and 15 percentage points. Johnson, for the first time, admitted privately that he hoped the party would be able to hold between 30 and 40 seats. Then, that finally proved to be overly optimistic: the Liberals, with 58 per cent of the vote compared to 37 per cent for the PQ, won 92 per cent for the New Democratic Party and one per cent for the Conservatives, swept through every area of the province with the exception of the traditionally nationalist bastion of Saguenay-Lac St. Jean, where all five PQ candidates

Daniel Johnson: defeat



Along the way the

Raising the stakes on free trade

The purchase invitation magnetized by Prime Minister Mulroney's legs described the Chicago event as part of a program to stimulate "discussion, debate and enlightenment." Two previous performers in the U.S. newsmagazine's distinguished speakers program had been President Ronald Reagan and the 1984 Democratic vice-presidential candidate, Geraldine Ferraro.

Last week it was Brian Mulroney's turn. And at the University of Chicago the Prime Minister seized the opportunity to promote programs to negotiate free cross-border trade and investment. At the same time, he stressed in the strongest terms so far that economic Canadian cultural and social differences "are not obstacles in these negotiations." Declined Mulroney: "Our political sovereignty, our system of social programs, our commitment to fight regional disparities, our unique cultural identity, our special linguistic character—these are the essence of Canada."

Mulroney's foray into the heartland of American protectionism—the Chicago venue was his chosen—began only days before Reagan was expected to ask Congress formally to approve free trade negotiations with Canada. And although major U.S. news organizations gave little coverage to the speech, it partly fulfilled the speaker's purposes by stimulating heated discussion and debate in Canada. But parliamentary critics in Ottawa—and in the provinces—condemned the lack of enlightenment in the Commons and in a special Senate debate on the culture issue, opposition members protested that Mulroney still has not made clear whether specific Canadian cultural industries—publishing, broadcasting and film-making—will be protected from American competition in the trade talks expected to start next year. Said Liberal deputy external affairs critic Lloyd Axworthy in the Commons: "It is time the government spelled out what it means by protecting cultural sovereignty."

In a response to the charges, Deputy Prime Minister Erik Nielsen declared "The cultural sovereignty of the coun-

try and its language will not be jeopardized." The Prime Minister said that if there is any danger of that, there will be no deal. Indeed, Mulroney stressed the importance of Canada's cultural sovereignty in a passage that he repeated in French and which was clearly intended as much to reassure Canadians as to attract his Chicago audience of 1,000 students, teach-

professors governing the cultural industries. Asked about the 1976 Bill C-58, a 1976 law opposed by Time and other business publications that prevents foreigners from claiming tax deductions on the cost of advertising in non-Canadian journals, he said he in such Canadian magazines as *Maclean's*. In his adaptation of Mulroney in Chicago, Time's editor-in-chief, Henry Grunwald, pointedly denied Canadian press reports last month that said that the newsmagazine is courtship Mulroney as part of a campaign to gain some favorable treatment in Canada.

The reports noted that Mulroney has been featured twice in the past 15 months as a guest of Time in Canada—one of which, dealing with Mulroney's election as Prime Minister, appeared in the U.S. edition—and cited the U.S. edition's selection as a Time distinguished speaker. Said Grunwald of the report: "I suspect the magazine said it wrong."

For his part, Mulroney scored on the theme of the Time cover stories to stress the importance of Canadian trade to the United States. He said the audience that the prime minister of Japan had been on the cover 15 times. But, said Mulroney, Canada's trade with the United States is "50 per cent greater than America's commerce with Japan. Without directly mentioning Canada's 1984 \$14.3-billion surplus in cross-border trade and the protectionist pressure that it has helped to generate in the United States, Mulroney said that

both countries would suffer economically unless trading patterns are stabilized in a new agreement. Said Mulroney: "Obviously, then, it would be a mistake for U.S. congressmen to be preoccupied with worries to underestimate the importance of the economic relationship with Canada."

Despite that, Mulroney conceded that the trade talks may never succeed because of the increasing protectionist sentiment in Congress and among labor unions and business in a question-and-answer session following his speech. Mulroney said: "It may be that it won't work out



Mulroney: for the sake of Canada—and commerce

PHOTOGRAPH BY AP/WIDEWORLD

It may be that the protestations against it which you refer will produce this initiative." He also acknowledged that Canada's federal-provincial tensions over the trade talks could cause delays. Referring to disputed interpretations of last month's agreement as full provincial participation in the trade negotiations, Mulroney remarked, "It will take a little more time than if just two people got together in a hotel room in Maryland and negotiated a deal." But he said that involving the provinces would "bring a better credibility and solidity to the process."

But in Canada the dispute over provincial participation persisted in Parliament and in provincial legislatures. Meeting in Montreal on the day after Mulroney's speech, Quebec premier Robert Bourassa and Ontario Premier David Peterson jointly claimed the right to veto any federal accord with Washington that impinges on provincial jurisdiction, which includes mineral and energy resources and external business activity. But in Washington, Thomas D'Agnone, president of the Canadian Business Council on National Issues, said at the Johns Hopkins Center for Canadian Studies that the Mulroney government "will have to play hardball" with the provinces to lead all a situation where 11 Canadian governments are trying to negotiate a new trade pact with the United States.

In the Canadian Senate, where a special debate on the cultural aspects of the trade issue began on Wednesday afternoon and finished early on Thursday morning, Conservative Senate Leader Duff Roblin insisted that whatever is negotiated "will be because we intend to strengthen our culture." But Senator Keith Dwyer, a longtime active advocate of cultural sovereignty and Bill C-58, declared, "The scary thing about this Tory government is not just its love affair with everything American, from Rambo to Hooters, but its lack of plan mentality. Its apparent willingness to do anything, including giving away the store, to carry favor with the United States."

As the Senate debate was under way in Ottawa, Mulroney was reacting for his Chicago audience how as a top corporate in Blue Cosmos, Que., he used to vote the vote. During the Chicago newspaper and newsmagazine news Col. Robert McCormick—who tipped Mulroney \$100—when the businessman was visiting forestry properties in Quebec. But Mulroney: "It was in that way that the Mulroneys became the first Canadian family to benefit directly from American foreign aid."

—ELIOT MCKINNON in Chicago

Secrets on a censored list

Members of a parliamentary committee privy to Canada's secret defense agreement with the United States were startled last week when, during a fast-moving trip to Washington, U.S. defense analyst William Arkin disclosed information that Canadian officials had censored for security reasons. Arkin revealed the titles of eight secret Canada-U.S. defense agreements which had been deleted from a 45-page list.



Arkin on Canada's storage of nuclear weapons

that the national defense department gave the committee before the trip. The incident sparked questions about how a private U.S. official came to have information denied to Canadian members of Parliament—and whether aspects of the politically sensitive Canada-U.S. defense relationship were being kept from public scrutiny through increased use of security classifications.

The list brought to Washington by members of the standing committee on external affairs and national defense was a compilation of Canada-U.S. defense arrangements since 1940. Arkin mentioned that eight of the 364 titles had been removed because they were "too politically sensitive for Parliament to consider." Among the titles,

"Exchange of Notes on Consultation Prior to the Release of Nuclear Warheads" and "Agreement on the Storage of Nuclear Weapons."

A nuclear policy researcher at the Washington-based Institute for Policy Studies, Arkin refused to reveal where he had obtained the titles. But former Conservative defense minister Allan Rock, a committee member and MP for Victoria, said later that the Liberal government had given him an affidavit list in 1989. Rock said: "I really can't see what all the excitement is about."

Still, Liberal Leader John Turner charged in the House of Commons that the Conservative government had shown "utter contempt" for the 1987 executive order. He added that the censorship was "violating the freedom of the committee to focus on whatever it feels is relevant." The committee's task is to gather evidence on the NORAD agreement, providing for joint defense of North American airspace, which comes up for renewal next year. But Defense Minister Erik Nielsen rejected suggestions that the government should release information about some defense secrets. He said: "I do not believe that we should have our entire set of potential vulnerabilities."

In testimony before the parliamentary committee last week, External Affairs Minister Jean Clark revealed that there are at least 2,500 documents in government files dealing with defense co-operation between Ottawa and Washington. Clark said that many of the documents are out of date. But Arkin insisted that the sheer number of defense documents made it crucial for Parliament to have access to accurate information about them. He said: "Trying to decipher the treaties, agreements, arrangements, letters and plans is like peeling away the skin of an onion—each layer exposes new agreements with new questions."

—MICHAEL BORE with IAN KESTER in Washington



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COMING SOON

BRAZIL

'A new beginning'

The pre-time broadcast was the first of its kind in British Columbia political history—and it came at a time when a provincial election was still months away. In a costly promotion, the B.C. New Democratic Party bought two 30-minute segments of commercial airtime to present a taped television special and fund-raising appeal, *A New Beginning*. Hosted by Olympic high jumper Debbie Brill and radio and television personality Terry David Mulligan, the \$60,000 production shows on

Nov. 28 and 30 was designed to highlight the bright side of party leader Robert Skelly and create a more peaceful image for the NDP. Accordingly, the views of the broadcast—

including Skelly, former NDP premier Dave Barrett and actor Bruce Greenwood—avoided standard party doctrine and talked instead of "new people and new ideas." The broadcasts also raised more than \$110,490 in telephone pledges for party coffers. And the show's producer, NDP activist Rob Mungy, "It is a new look NDP, comfortable with modern technology, very much rooted in the 1980s."

The TV special was part of the NDP's "fall offensive," an aggressive strategy aimed at preparing for an election that some British Columbians have speculated could come as early as the spring of 1988. That was based on the belief that Premier Bill Bennett will seek to capitalize on the early growth and excitement generated by Expo '86, the \$1.5-billion world transportation fair in Vancouver from May to October. Bennett told Mungy's last week that rumors of a spring election were "made by the leader of the NDP." For his part, Skelly said he will be ready whenever the election is called. Said the 46-year-old former teacher and farmer who replaced Barrett as NDP leader in May, 1985: "My mandate from the party was to start the campaign the day I was elected."

Although the NDP has lost the last three elections to Social Credit and is currently outmaneuvered in the legislative arena 35 seats to 25, the party has been buoyed by recent opinion surveys. A poll of 747 people in British Columbia conducted in late September and early October by the University of Manitoba's Institute for Social and Economic Research showed that 66.3 per cent of decided B.C. voters said they would vote NDP, compared with 39 per cent for Social Credit and 8.8 per cent for the Liberals.



Skelly: moderate's image

Skelly leaders say that much of the public discontent with the government is due to its 1982 economic restraint program, which put 13,656 civil servants and teachers out of work, slashed social services and raised taxes by eight per cent. Although the restraint program has been put aside and replaced by an expansion-oriented policy, unemployment in British Columbia still averages a 14.2 per cent—the third-highest in Canada after Newfoundland's 19.6 per cent and New Brunswick's 15 per cent.

More recently, Bennett has drawn criticism for allowing source government funds for a series of major projects, including the \$4.1, \$1.1-billion Vancouver-area rapid transit system and a \$900-million government in a coal-mining development in the province's northwest. He has also proposed a \$2.3-billion hydroelectric dam on the Peace River—a project the premier claims will create 8,000 jobs over nine years.

leader. Since then, he has crisscrossed the province four times, and between September, 1984, and September, 1985, raised \$300,000 for the party and increased the membership to an all-time high of about 34,000, up from 24,000 a year ago. To the charge that he is dull, the NDP leader replies, "I think that substance is style. Perhaps if we had the Barrett's money we could create an image that we don't."

When the provincial legislature in Victoria opened on Nov. 29 for a fall sitting, Skelly quickly went to the attack. But his debating skills proved no match for the experienced Bennett, 55. He was his first legislative post in September, 1973, and seven weeks later took over the NDP leadership which his father, the late W.A.C. Bennett, had resigned after 20 years in power. In the legislature Skelly criticized the government for its poor record on job creation, noting that there were 50,000 fewer people working in the province in November than in July, 1981. Added the opposition leader: "You can't resolve that problem by stress." At that, Bennett leapt to his feet and asked, "You're calling Expo a stress?" While a frustrated Skelly tried to recover, Bennett continued: "Every time he is in trouble, he says something and then spends two months trying to clarify it."

In fact, Skelly's low-key style may be detrimental in increasing the NDP's credibility. By presenting a moderate image and avoiding the embittered rhetoric of British Columbia's polarized politics, Skelly is trying to erase the memory of the NDP government that Barrett led from 1972 to 1975 and which lost 38 seats in the election because of the widespread perception that it was fiscally irresponsible. Skelly's approach has improved the NDP's image within the business community, traditionally hostile to the NDP. Said Anthony Ippolito, president of the Vancouver leverage house Odium Brown Ltd.: "Skelly is personable, pragmatic and sincere and he is doing a lot to allay fears that there will be a repeat of 1972."

Despite the NDP resurgence under Skelly, the Barrett supporters contend that they can win the next election. Said Health Minister James Watson: "I pay no little attention to Skelly, but I don't really know what his strategy is." Still, at the annual NDP convention in Vancouver in October, Bennett mounted his first major attack on the NDP leader, describing him as a pawn of "busy executives and power brokers for special interest groups"—an indication that Bennett, at least, is taking the NDP challenge seriously.

—JANE O'BARA in Vancouver



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Within hours after a series of tornadoes swept across Ontario Friday, May 31, a team of insurance people had put into effect the Canada Emergency Response Plan. This all industry program, coordinated by Insurance Bureau of Canada, is designed

to expedite handling of multiple claims.

By Monday morning a temporary office was functioning in Barrie to assist the representatives of individual insurance companies, who were already on the scene, coordinate the activities of adjusters, liaise with municipal officials and communicate with news media and the public.

Special facilities were established to appraise damage to automobiles. Agreements were reached with municipal officials to meet bylaw provisions. Lists of contractors were established. Special arrangements were made with moving companies for storage of furniture and appliances.

The result: within a few days, 22,000 individual claims were in process. By month end, final settlements had been made in thousands of cases and interim payments begun in most. Cost: \$98 million for damage to property and \$17 million for automobiles—a total of \$115 million.

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Most of the thousands of insurance claims in the Barrie area for damage were settled without difficulty. However, some problems arose. Here is a sample of the things which you can do to make sure your insurance responds the way you expect.

1. Know your coverage

Read your policy if you have doubts as to your coverage for sure to discuss them with your agent, broker or company representative before you experience a loss.

2. Keep your coverage "in value"

Your agent or broker can help you determine what it would cost to rebuild your house. Most make valuations realistic but the costs for repairs and rebuilding can go up. It is the extra costs which determine how much insurance you need.

3. Increase your contents coverage if necessary

Most home insurance policies provide a stated percentage of full building value for contents. For example, if your home is insured for \$100,000, your contents coverage may be \$20,000. If you have valuable antiques, expensive television or stereo equipment, etc., this amount may not be sufficient. It is your responsibility to obtain extra coverage to ensure full potential value for replacement cost coverage.

4. Keep an inventory

If your home "lost everything" the only way to know you are a first-class claimant is to know what you own and how much it cost. A list of possessions, video tape recording any good records, will be useful to say which it covers loss to establish any losses.

5. Keep accounts and inventories in a safe place

Your records could disappear in a fire or windstorm. A safe deposit box is the best place to keep your important records.

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Doukhobor mourners at Antioch's burial an appeal for peace

The embers of defiance

The three members of the Sons of Freedom Doukhobors, which rejects assimilation into society and has used arson, theft and male demonstrations to protest—already had spent several years in British Columbia prisons for arson and other offences. Mary Antioch, 71, Mary Brown, 65, and Tina Zensel, 61, also had been on prolonged hunger strikes before. But the latest spark by the trio was especially determined. Late last month, in the 54th day of her fast at Matsigen federal penitentiary, a severely weakened Antioch complained of breathlessness. Doctors rushed her to hospital, but she died within two hours of arrival. Then, last week doctors transferred Brown to hospital suffering from extreme dehydration.

Shocked at Antioch's death, Doukhobor leaders drove 600 km to Vancouver from their homes in British Columbia's West Kootenay region to plead with Brown and Zensel to end their protest, which had no specific demands. Said Greg Cina, head of a government-sponsored group working for peace in the short-term Doukhobor community: "It is not doing them any good and it is not doing the community any good." The appeal apparently worked. Last week prison spokesman Thomas D'Aquino announced that the women had broken their fast after 55 days and were taking soap, butterfat and fruit juice.

As Brown and Zensel slowly regained their strength, Doukhobor leaders urged prison officials to let the two women serve out the rest of their terms in some other form of incarceration, such as a halfway house. Said John Cherkoff, Brown's brother: "I don't think jail is the solution." Meanwhile, Sons of Freedom Doukhobors continued to grow for Antioch. "She was born a Freewillist," said her son, Peter, "and she died a true soldier for what she believed in." Since her first imprisonment in 1932, Antioch had spent a total of 22 years in jail. At the time of her death, she was serving a 30-year sentence for arson in the Goodwin Museum near Cowichan. Zensel and Brown were also serving terms for arson. Zensel, as prison's women resorted to sitting firms. Said D'Aquino: "They burnt their passion and their pyromania. We found ourselves never in the house of their clothes and in their prison."

Antioch was serving the last of the Freewillist hard-liners. Zensel enters who entered Canada at the turn of the century, the Sons of Freedom were 1,200 strong in the 1920s but now number only 100. In recent years relations between the Freewillists and the Orthodox and Reform Doukhobor sects have improved slightly. Indeed, moderate Doukhobor leaders are hoping the new generation of Freewillists will choose not to follow the destructive path of Antioch and her comrades. Said Cina: "We want to find a way to get an end to this issue and for all."

—BANE O'BARA in Vancouver

Electoral uncertainties



Lee: in the cold

principal Leonard Cusack by 136 votes, and in 14th Prince Edward County, also a former, lost retired teacher Pylis Green by 88 votes. The son, which has never won a seat on the island, ran third in both ridings but was 19 points behind in the vote, taking 26 per cent in 4th Prince and 13 per cent in 2nd Queens. Lee said he was not surprised because "elections usually go against the government." But political observers said the apparent drop in Tory popularity was a bad omen for Lee, who is considering an election next spring, more than a year before his mandate expires.

An economic mainstay

For the first time in more than six months, smoke billowed from the stacks of the Consolidated Bathurst pulp and paper mill in Bathurst, N.B. The mill resumed operations after 377 workers ended their strike last week against the Montreal-based forest products and mining company and accepted a new contract. The bitter dispute began in June, when talks between the company and the Canadian Paperworkers Union broke down. Consolidated Bathurst would not reveal how much money it lost during the strike, but the Bathurst Chamber of Commerce said that the dispute had cost the community \$20,000 a week in \$1 million a month. For the period, the workers had to submit for the first three months on weekly union strike pay of \$40, although that later increased to as much as \$100, and many are deeply in debt. Under the contract agreement—reached after an eleven-hour bargaining session with provincial mediator Douglas Stanger—employees will receive a 3.5-per-cent wage increase retroactive to October, 1985, a 3.5-per-cent increase effective immediately and a further five per cent next September.

A false lead

Last December, Prime Minister Brian Mulroney received a letter citing evidence which suggested that the notorious Dr. Josef Mengele, chief physician at the Auschwitz death camp during the Second World War, had once applied for a visa to enter Canada. The letter, authored by Nixon adviser Sol Litzman, the Canadian representative of the Los Angeles-based Simon Wiesenthal Center, called for "an immediate investigation." Litzman never received a reply to his letter, but last week later Mulroney suggested Mr. Justice John Doherty to head a commission to search for Nazi war criminals in Canada. Then the commission learned that there had been no such application by Mengele. Answering charges that he had

made "infamously allegations," Litzman said last week that he asserted that Mengele had tried to enter Canada, was based on an inquiry in 1982 by Ontario Provincial Police, who had asked the most about a report that Mengele might be living in Canada. Litzman also identified two men, RCMP Cpl. Fred Stiller and retired conscription official Al Nayan, whom he had consulted about the report, which was revealed in documents obtained under U.S. Freedom-of-information laws. But Litzman said he made the Mengele allegations on his own, based solely on his impressions of the documents. "If there were any mistakes, they were mine," he added.

Dodging taxes

The announcement by Finance Minister Michael Wilson was essentially for wealthy Canadians who use deductions and tax credits to reduce the amount of income tax they have to pay. Wilson told the House of Commons last week that a new stimulus tax to take effect in the 1986 taxation year will reduce the number of high-income earners who avoid paying any income tax from about 9,000 in 1985 to roughly 2,000 next year. Under Wilson's long-awaited system, those with a net income exceeding about \$45,000 will calculate their taxes using a new method that does not include such deductions as investing in Canadian films and resource-related tax shelters. The system includes a \$44,000 basic exemption and sets a minimum tax rate of between 24 and 27 per cent, roughly half the normal combined federal and provincial rate of two income levels. Taxpayers will then have to figure out their tax under the regular system and pay whichever amount is higher. While an estimated 15 million people will continue to file tax returns as before, Wilson told the Commons that about 180,000 people will be affected by the minimum tax, which will add \$300 million to 1986 federal tax revenue and provide another \$140 million to the provinces. New Democratic Party Leader Ed Broadbent applauded the announcement. But Liberal finance critic Don Johnston dismissed it as mere "bribe-taking."

The pressure to buy



Mulroney's false lead

effect next August, after the current five-year contract expires, and—at current world prices—could be worth between \$5 million and \$7 million. Prices will be negotiated at intervals during the term of the contract. The agreement was reached despite a world grain glut—and amid pressure from the Russians for increased exports to Canada. Signalling a drive to seek more balance in bilateral trade that now favors Canada by a ratio of \$75-\$1, Mulroney urged Canadian farmers to buy more Soviet-made products, including tractors.

Dr. David Hood's heart-felt commitment to service was learned at McDonald's.

NOW, 30 years old, Dr. David Hood is a young family physician with an old-style commitment. He admits house calls as part of his two-year-old practice in Guelph, Ontario. "I call on several of my patients routinely—an elderly fellow, a woman with cerebral palsy and some nursing home patients. Visiting my patients brings me a lot of satisfaction. I see them in their environment. I see what they eat and how they live. My relationship with my patients is very rewarding."

Being of service to others is precisely the reason he chose medicine and it's what makes the business of being a doctor—the hard work and the long hours—a labour of love.

"I learned some valuable lessons at McDonald's."

Dr. Hood is no stranger to service. His first job was with McDonald's at the age of 16, where he ran the grill and served customers. A year later he was promoted to management. He was responsible



McDonald's made good on its promise: giving its employees

for having as well as the keeping of books and inventory.

"I learned a lot from my three and a half years at McDonald's. It was a well-run organization that provided excellent training opportunities for anyone who worked there. I was impressed with the team approach to everything—each one of us understood that our job was vital to the successful workings of the operation. We had to do it right and with enthusiasm or not at all. These were valuable lessons. In this day, the ability to get along with all kinds of people, do a job well and be enthusiastic about it is a tremendous asset. Having enthusiasm for my work has also saved me from being overly serious. I am committed but I know how to have fun too."

"McDonald's is an excellent springboard."

The lessons gleaned from McDonald's stood him in good stead when he went to the Philippines for 3 months in his last year of membership at the University of Western Ontario.

Responsible for seeing patients and performing surgery at the tiny villages where he

worked, patience proved a true virtue. "Life moves slowly in the Philippines. People have no real concept of time. So it was up to me to take the initiative and get things done, and be patient when things didn't work out as planned. I learned how to be patient at McDonald's and it came in handy."

When I hired people at McDonald's, I had to be patient and give them a chance to learn. We hired bright kids. But some of these kids had never worked before. It's self-defeating to hire only those with experience. There are lots of bright kids



McDonald's got it right: giving people the chance to learn.

out there who can't get hired but get the experience they need to get hired.

Dr. David Hood has worked hard to achieve what he has and there's nothing he would rather do.

"McDonald's was the start for me—it's the start for a lot of kids. McDonald's is an excellent springboard."

People. Our most important ingredient.



The angry Philippines



WORLD/COVER

She has never held political office, but she has run the country unchallenged for 20 years. Her support is growing but untested; she commands a network of brown loyalists, whose reach extends into virtually every town and village. She is Corason Aquino, 52, widow of the martyred opposition leader Benigno Aquino, who is Ferdinand Marcos, 68, president of the The Republic of the Philippines in the tough-and-tricky world of Philippine politics, she is a rank neophyte matched against a consummate politician. But despite those odds a reluctant Aquino agreed last week to challenge Marcos in the country's first contested presidential election in 27 years, on Feb. 7.

Setup: Aquino's decision followed by hours the signing of the law that formally proclaimed the election. And it came just one day after suspended armed forces chief Gen. Fabian Ver and 25 others were cleared of conspiracy charges in the 1983 assassination of her husband. Their acquittal—by a Marcos-appointed three-man tribunal—ignited a wave of protest demonstrations. Thousands marched down Manila's central thoroughfare, Epifanio de los Santos Avenue, bearing an effigy of Marcos. There, in swift succession the president welcomed Ver, a distant cousin and former chauffeur, to his office in Malacanang Palace and reinstated him as chief of the armed forces. "His reinstatement may have been unpopular," Marcos said, "but we do not punish innocent people in this country."

Outraged by the court's decision,

Aquino, known to friends simply as Cory, succeeded in securing passage to enter the presidential race. Petition signed by more than 1.2 million Filipinos topped her to run. For many Filipinos, her lack of political experience is a virtue—a guarantee that she has not been tainted by corruption. One campaign slogan: "Not tainted, but tainted." Said Jaime Cardinal Sin, archbishop of Manila and an Aquino adviser: "She is the last hope for the country."

The election setup—which Marcos opponents have challenged in the Supreme Court as unconstitutional—was issued at a time of gathering crisis. The nation of 54 million people, a former U.S. colony, is beset by massive unemployment, a stagnant economy,

foreign debt exceeding \$30 billion (\$1.6) and an increasingly potent Communist insurgency (page 36).

Despite increasing pressure from its chief ally, the United States, the 39-year-old Marcos regime has undertaken only minimal reforms. Increasingly, analysts compare Marcos to other authoritarian leaders who have fallen from power—notably, the shak of Iran (1979) and Anastasio Somoza Debayle in Nicaragua (1979). Like them, Marcos has been accused of widespread corruption and human rights abuses, but he remains firmly in control of the military, the courts and the media.

Challenge: The opposition is reeling about the strength and resources of the Marcos political machine. "With Mr. Marcos you can expect the worst," said Aquino. "The challenge facing the opposition is not merely to field one candidate to face Mr. Marcos. It is to field a candidate who cannot be seen as a continuation of the Marcos regime."

The opposition failed last week to meet that critical challenge. After extended talks, Aquino and former senator Salvador (Doy) Laurel—the other most hopeful—agreed on Sunday that they would not join forces as a single ticket headed by Mrs. Aquino. Rather than accept the vice-presidential slot, Laurel, 57, declared that he would remain in the race as a presidential candidate. At a Sunday press conference at his family home in San Manila, he blamed Aquino for the split, saying that she had refused to run under the banner of his political party, UNIDO. An Aquino spokesman denied the charge, adding that Laurel had declined to run under a joint banner that included LABAN, the party that adopted Aquino as its candidate. Still, Laurel did not rule out a possible compromise. "The door is not closed on agreement," he said.

Influence: Even together, Aquino and Laurel would have confronted a formidable undertaking. Against they face an implacable foe. The power of the president and his wife, Imelda, 50,

are pervasive. That influence was displayed again last week in the Ver trial. After seven months of legal maneuvering and controversy, the judges upheld the military establishment's explanation of Benigno Aquino's death. In a 98-page verdict that took a court clerk two hours to read the judges ruled: "It is not unreasonable to conclude" that a lone gunman, Rolando Galman, acting on orders of the Communist Party of the Philippines, shot Aquino.

The decision flatly contradicted the conclusions of the Agrava commission, a fact-finding inquiry established shortly after Aquino's assassination at Manila airport on Aug. 21, 1983. The commission, led by Judge Corason Aquino, found evidence of a widespread military conspiracy to murder Aquino as he returned home after



three years of exile in the United States. That led to formal indictments against Ver, 24 military officers and one civilian. But the tribunal ruled that the evidence was irrelevant.

In response to Ver's acquittal, Francisco Vela, a lawyer for the Agrava board, described the verdict as "legal insanity." In Washington state department spokesman Charles Rodman declared: "It is very difficult to reconcile the conspiracy, thorough work of the Agrava board with the outcome of this trial." Aquino herself insisted that the military would not have planned her husband's murder without the president's knowledge and consent. "Marcos had to give the order," she said.

Some U.S. politicians have called for reductions or suspensions of aid to the Philippines—at least until reforms are enacted. But the American position is compromised. The current aid agreement, a \$600-million five-year package of economic and military assistance signed in 1983, is tied to American use of two strategic military outposts—the Clark Air Force and Subic Bay naval bases, located on Philippine soil. The Marcos government regards the aid package as rent on the bases, while the Reagan administration considers \$475 million—more than half the total—to be tied to progress on reforms.

Reforms: The reforms have been slow in coming, although supporters note that Marcos introduced special legislation to prevent the election two years before his six-year term officially expires. Still, the actual holding of the election remains in doubt. Twelve petitions questioning its constitutionality are now before the Philippine Su-

Marcos (left): Aquino; self-proclaimed democracy gathering crisis





NPA guerrillas celebrating a victory. The more we support Marcos, the better the chance of a Communist takeover.

A growing fury on the left

COVER

The guerrillas appeared out of nowhere on a crowded street in the northern Philippine city of Baguio last week. Then he opened up with a volley of gunfire, killing Rafael Biazon, the vice-governor of Abra province, and wounding his bodyguard and lawyer. At almost the same time, nearly 3,000 km. to the south, guerrillas passed down dense soldiers and a civilian traveling in a jeep near the village of La Castellana in Negros Occidental province. Later, armed insurgents raided several farms owned by industrialist Eduardo Cojuangco, a close ally of President Ferdinand Marcos. Violent and extreme, it was an average week in the troubled Philippines.

The incidents, which military officials blamed on Communist death squads, brought to more than 4,500 the number of Filipinos who have died this year in fighting between government troops and members of the Communist New People's Army (NPA). Espousing the violent overthrow of the Marcos

government, the rebels have become a major force in the country's rapidly worsening political and economic crisis. Acknowledging that, Lt. Gen. Fidel Ramos—the country's top military officer—said the rearmament of Gen. Fabian Ver last week—described the NPA as "the foremost threat to the Philippines today."

Troops. Until recently, most analysts—say, Marcos himself—dismissed the NPA part of a tradition of insurgency that has endured in the 3,100-island archipelago for centuries. Rebellions occurred under imperial Spain for almost 400 years, against U.S. forces after the United States was possession from Spain in 1898 and against Japanese occupiers during the Second World War. The NPA, founded in 1969 by Filipino intellectuals in the island of Luzon, is the armed wing of the outlawed Communist Party of the Philippines, committed to class struggle and radical economic change.

Initially, the rebels sought support among peasants and confined their

military action to occasional raids on isolated government outposts. That after the August 1980, number of uprisings began to grow, which undermined the credibility of the Marcos regime, the rebellion gained momentum. Currently, it draws supporters from across a broad spectrum of Philippine society. Those include urban professionals who regard the NPA as a credible alternative to the Marcos regime and its failed economic and social policies. Said one senior Western intelligence analyst, "It is like Vietnam—the infrastructure goes and you don't realize it for a long time."

Targets. For a time, government officials regarded to the NPA threat by developing the movement's size and importance. Marcos himself recently said that the number of armed insurgents is still fewer than 9,000, although U.S. intelligence officials put the number at about 15,000. And despite repeated pledges by the government to initiate major reforms, Washington sources estimate that one

million Filipinos are active NPA supporters.

Following the acquittal of Ver and 35 others on charges of conspiring to kill Aquino, Marcos announced plans for a military reorganization involving the retirement of new assignments of 38 senior officers. The changes were a response to pressure from Washington and from "Mr. Solon," a military reform movement which blames the poor performance of government troops on an aged, top-heavy officer corps. But the first shakedown did not entirely reflect the reforms. Coast guard Commodore Brillante Guboa, the only officer to denounce the reform movement, was promoted to lead the army.

Power. For their part, NPA leaders now state a full-time guerrilla base of 12,000, with another 20,000 members operating in 35 of the country's 73 provinces. Western analysts confirm that the NPA effectively controls at

least 80 per cent of the country's villages, or barangays. The typical NPA member young and impoverished in a society rapidly divided between a small landowning elite and a mass of chronically poor.

Rebels. The NPA has also turned against Marcos's foreign supporters. In August about 50 guerrillas attacked an Australian farm training centre near the remote island of Catarman as the eastern island of Samar. The raiders destroyed equipment but did not harm the Australian instructors or the Filipino students studying modern farming methods. Later, a spokesman for the National Democratic Front, a broad-based political movement that embraces the NPA, criticized "all foreign aid projects which are being used by the regime to oppress the Filipino people's democratic aspirations."

The United States regards the far-western colony as a critical strategic out-

post in the Pacific and the South China Sea. A senior administration official recently expressed growing concern about the NPA, despite assurances from Manila that the insurgency is under control. U.S. officials say they are particularly worried about the future of a massive military installation—the vast Clark Air Force and Subic Bay naval bases located on the island of Luzon. Although NPA leaders have stated publicly that they do not intend to strike at American forces, rebel leaders have demonstrated that the bases are vulnerable. In August, unchallenged by guards, a handful of insurgents set up camp less than two kilometers from Subic Bay's main ammunition dump. A U.S. Senate aide, who toured both facilities later reported that "Clark and Subic appear to be very vulnerable should the NPA shift tactics and begin to target U.S. bases."

The Clark Air Force Base is the

second largest in the world, and the Reagan Corp. had mining company refused to pay \$160,000 in so-called revolutionary taxes, guerrillas burned the company's equipment. Other companies have reported paying more than \$100,000 each year to the rebels.

U.S. studies report that the Soviet Union may be preparing to support the insurgency. A recent study prepared for the Senate select committee on intelligence concluded that, while the NPA remains an indigenous movement, its leaders seem open to approach outside powers for the arms and supplies needed to begin a major assault. The Senate report said that the Soviet Union had recently enlarged its embassy in Manila and that Soviet officials have already made contact with the insurgents through Filipino labor unions.

For Washington, the outlook is discouraging. Declared Evelyn Colbert, a lecturer at Southeast Asian Studies at Johns Hopkins University's School of Advanced International Studies in Washington, "There are powerful forces within the country that would lend themselves to an NPA attempt to take over. The chance is one that could produce catastrophic political instability."

Collapsing. The U.S. Senate report contains an even starker prediction of the potential consequences of military insurgency, economic decline and political unrest could lead in two or three years to the collapse of Philippine democracy. Under government, it introduced major changes, said Senator David Durenberger, who heads the intelligence panel, "democracy in the Philippines is doomed." Added Richard Kessler, a Philippines expert at Washington's Congressional Budget Office, "The more we support Marcos, the better the chance of a Communist takeover."

That growing danger was clear last month when thousands of demonstrators gathered in a church plaza in Baguio on November 20 to demand the heart of the nation's aging sugar industry. In more than 27 persons killed by government troops during a demonstration. Amid chants of "Gue in Gue," the 18-year-old of a major worker said quietly, "I bring you Red and revolutionary greetings."

—ANN FRANKENBERG AND BRUCE MACDONALD in Washington and LEO HELLMANN in Manila



headquarters of three squadrons of the 19th U.S. Air Force, and Subic Bay is the main supply base of the Seventh Fleet. U.S. spokesmen deny that the administration's main goal in the Philippines is simply to protect its bases. But, said one official, "if we were to lose them, the Senate would have a struggle to get out of them."

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The Clark Air Force Base is the

The Marcos money empire

COVER

During their 20-year reign as the First Family of the Philippines, President Ferdinand Marcos, his wife, Imelda, and scores of relatives and friends have amassed staggering personal fortunes. From a nation crippled by chronic poverty and a growing foreign debt, the Marcos family and friends, according to critics, have shammed billions of dollars. Corrupted by secret accounts and channelled through complex networks of holding companies set up in Hong Kong, the Netherlands Antilles and other tax havens, the money has been used to purchase office buildings, universities, businesses, yachts, luxury homes—even banks—most of them in the United States. Indeed, one Marcos supporter alone, Nemesio Yabut, owns a \$200,000 apartment building, a \$320,000 home, at least two condominiums and a restaurant in San Francisco. And by his own account, Yabut, mayor of Manila, Manila's de facto leader, is "only small fry."

Corruption. The transfer of capital from the Philippines began as a modest scale years ago, but since the announcement of opposition leader Benigno Aquino on Aug. 31, 1983, the trickle has become a flood. In the following 30 days \$1 billion moved out of the Pacific archipelago. The total for the past two years, about \$10 billion. According to a U.S. Senate Intelligence Committee report last month, "Corruption has become a serious burden on the economy. The first family and their favored cronies see their position to amass great wealth, much of which is unaccounted for." Ted Stephen Research, U.S. subsidiaries in the Philippines, "If even half of that money would return to the Philippines for private investment, it would make a considerable difference."

The presidential family has few private investments in the Philippines itself. According to the CIA, former business interests and assets have been tied in lawsuits against the couple; the properties include a \$104-million commercial building on Manhattan's Seventh Avenue and the \$21-million Crown Building at Fifth Avenue and West 57th Street, also in New York City, an \$18-million mansion in London, a \$30-million estate in Rome, a multimillion-dollar retreat on Long Is-

land, three condominiums in New York's fashionable Fifth Avenue, other property in five states, and banks in Colombia and New York. Although Marcos's presidential salary is about \$5,000 a year, reports say that the first family's holdings are worth several billion dollars. Imelda alone, when her



husband's murder name—Cristina—was killed last month. When in San Francisco, Wilson often stays at a \$925,000 estate owned by a Hong Kong-registered company, Delmar Research Management Ltd. Two of his sons are board members. The strange assets of two other influential members of Marcos's inner circle—Eduardo Cojuangco, who controls the coconut trade, and Roberto Benedicto, who controls the sugar industry—have not yet been fully documented. Benedicto owns the Los Angeles-based California Government Bank, which has \$140 million in assets. Cojuangco controls

The First Family: Huge personal fortunes

Jewelry and antique collections are included, is described by the CIA as one of the world's richest women.

Unlawful Legal. Marcos "cronies" have shared the precious dividends of political support. Among them: banana baron Antonio Florentino, financial adviser José Campos, Defense Minister Jose Raula and Economy Minister Gerardo Wilson. Like the Marcoses, they have operated overseas networks through a maze of third-party agents or holding companies. Florentino owns

the largest banana company in the Philippines and he is a director of Anso Holdings N.V., a company based in the Caribbean island of Curaçao that was used by Imelda Marcos to purchase the Long Island estate. His U.S. investments include major references in Boston, Chicago and New York purchased for \$12.3 million; a 10-million shares in Hawaiian, and a Fifth Avenue apartment.

Assets. Campos, an adviser to Marcos, controls \$9 million worth of Seattle real estate through a Netherlands Antilles-based company called Trust Investment Corp. His wife, Elizabeth, owns a \$402,930 home in Vancouver. According to the Department of Internal Affairs, the book value of Philippine investment in Canada in 1981 was less than \$25 million. Earth and his wife recently sold a San Francisco mansion purchased in 1982 for \$15 million. The transaction was completed by Restante Inc., Mrs. Earth's maiden name—Cristina—was killed last month.

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Gracia Corp., a coconut oil company in San Francisco and a home ranch in Arizona.

Still, the unparalleled wealth of the Marcos family and their many disciples does not include stocks, securities and deposits hidden in Swiss and other foreign banks. Said an associate in part of the largest banks in the Philippines, the revolution is so far not just "the tip of the iceberg."

—BRIAN QUINN with correspondence reports

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Tentative steps toward unification

In founding fathers envisaged a united continent, rising from the ashes of the Second World War. Konrad Adenauer, the late chancellor of West Germany, dreamed of a vast common market. Jean Monnet, a French statesman, talked of Euronism, ruled by a

After a grueling 26 hours of debate the leaders attending the Eurosummit agreed to amend the Treaty of Rome, reaching "provisional agreement" on a package of reforms designed to revive the ideal of a united Europe. The steps for change were necessary. In reality, the Common Market is scarcely more

Europe—a political time bomb

Without integrating its stagnant economies, most experts say, the Community will not be able to meet the mounting competitive threats from the United States and Japan. Technologically, Europe is trapped in what Brussels economist Peter Ludlow calls "pet-



European Community ministers at summit in Luxembourg, stirring new life into the dream of a united Europe.

international government. But almost three decades after its six original members initiated their constitution, the Treaty of Rome, the European Economic Community remains a ghastly shadow of the grand conception. "The European revolution never took place," says Lindsay Armstrong, editor of *30 Days of Europe*, a magazine that monitors Community affairs. "Thirty years later we are trying to start all over again." But in Luxembourg last week 12 EEC leaders—excluding the prime ministers of Spain and Portugal, full members as of Jan. 1—took several steps toward reform

than an elaborate and rigid customs union. It took more than 17 years for the members to allow European architects to set up their practices in whatever country they choose and another five years to let mutual funds operate across national frontiers.

At the same time, standards for most manufactured goods differ from country to country. Government buyers routinely discriminate in favor of home-grown sellers. And Irish agricultural subsidies are regularly paid to all Community farmers. The result: vast surpluses of unsold produce. As well, high unemployment—11 per cent across

encompassed and enough thumpy." Its three mainframe computer manufacturers control just two per cent of the global market. One American company, IBM, controls 70 per cent. Eugenio Carlos de Benedetti, chairman of Olivetti. "Too many Europeans just want additional guarantees that they'll keep what they already have."

The Luxembourg summit, the second gathering of six leaders this year, tried to change that psychology. But the steps taken were, as Ludlow puts it, "a very late and tired attempt to breathe new life into bones that may not be able to respond." The key points of the accord

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France's Basque region, Spain's President Felipe Gonzalez (below) reforms

expanding powers for the 194-member European Parliament, which now regularly makes decisions taken by the EC's central authority, the Council of Ministers, endorsing the goal of full monetary union, with a common European currency, and a requirement for majority voting, instead of unanimity, on questions affecting the free flow of goods and services.

In the past the search for total consensus has virtually paralyzed decision-making. By surrendering a national veto, the Community may come closer to reaching the 1992 target of dismantling 300-odd trade barriers and creating a genuine common market. Said Jacques Delors, president of the European Commission, the EC's executive body: "We wished for more, but it is forward-looking compromise. Everyone who belongs to Europe has reason to be satisfied."

The glow of validation, however, did not last long. The leaders of Europe had barely emerged from Luxembourg's Kirchberg Centre, before a chorus of Eurosceptics had assembled. "Unilateralism, progress," said Denis Healey, the British Labour Party's foreign affairs critic. Desmond Llewellyn, president of the European Movement, which seeks a federation of European states: "It's as if the nations-state had shivered and produced a ridiculous mess. I don't think the Community is going to dissolve. It's going to go on, but much more slowly than is desirable."

In fact, even the halting steps taken

last week may yet be reversed. Unless all member parliaments approve the amendments, the treaty cannot be changed. And two Community members voiced strong reservations about the proposed reforms. Italy, which says they do not go far enough toward meeting Rome's vision of an integrated—and restructured—Europe, and Denmark, which fears they go too far, threatening Danish national interests.

But Sir Fred Cuthbertson, a British member of the European Parliament, "I put together a community of 300 million people take a bit of doing. Trying to bring along countries that have been independent for 1,000 years or more is a tremendous political job."

For many students of the Community's 38-year history, it is a job that may simply be beyond the EC's capacity—or political will. Some member nations, notably Italy and Luxembourg, campaign enthusiastically for political union. Others, notably Britain and Denmark, remain ambivalent about—or opposed outright—to changes that would erode their sovereignty. Greece is resentful, because it thinks that the richer nations of the north should divert funds to the impoverished north Germany is unpopular because, as the "rich man of

Europe," its \$76-billion Canadian market (SE75 billion Canadian) annual contribution is more than twice what its closest competitor, Britain, gives. Says Simone Weil, a former European Parliament president: "The Community no longer knows where it is or what it wants. Or perhaps the members no longer know what it is they want from the Community."

Suspicion of each other's motives and alliances was apparent last week in Luxembourg. British Prime Minister Margaret Thatcher and West German Chancellor Helmut Kohl had come to the conference table with a private understanding: not to write the goal of monetary union into the Treaty of Rome. Thatcher feared that concession might force Britain to join the European Monetary System. Kohl feared it might weaken the power of West Germany's Central Bank. But something in pressure, Kohl quietly shifted ground and embraced the majority proposal. Said Thatcher: "I thought we had agreed that now was an important time to introduce this type of measure." Later, she relented, noting that the clause would have "no immediate effect."

The entry of Spain and Portugal next month may complicate Europe's problems, efforts to achieve competition to French fruit growers, Italian visitors and Greek olive oil orchard farmers. And while both Spain and Portugal expect to draw political benefits from their new partnership, both will end up paying higher prices and probably suffer higher levels of unemployment. A study by the European Commission predicts that Spain's grape national product will decline by three per cent annually during the first three years of its membership. Portugal can expect the same.

While the community's surplus has mounted, the Community is engaged in an extended debate about what Europe is—political entity or economic area. Said commission president Delors: "The idea of a European space, without

frontiers, is the cornerstone of the launch of Europe." Whatever the arguments reached in Luxembourg, most Eurowatchers concede that the six-core will only be solved when—and if its leaders finally embrace that ideal.

—MICHAEL FORNER with PAUL CLAMANN in Madrid, DAVID LINDEN in Paris, SUSANNE APPRENT in Rome, PETER LEWIS in Brussels and DAVID NORTH in London

A

A defiant decision

Against the advice of many parliamentarians, an all-party foreign affairs committee and a blue-ribbon government panel, Britain last week announced its withdrawal from the United Nations Educational, Scientific and Cultural Organization. As Overseas Development Minister Timothy Raiton stood in the Commons to make the announcement, angry opposition members rose from their benches to condemn the decision. Shadowed Labour member, George Yule said: "This is a blow to the work for the 'Third World'." Defending the government, Raiton said: "Parliament (UNESCO) was 'barbarically poisoned and badly managed' by the Conservative director general, Amadou-Mahtar M'bow, and had fallen 'well short of what the West deserved of the main external body of the United Nations'." With the decision, effective at year's end, Britain becomes the second nation after the United States to quit the 36-member body in the past year.

An UNESCO headquarters, M'bow issued a bland response, saying that the United Kingdom had been instrumen-

tal in creating the organization 40 years ago. In Ottawa, External Affairs Minister Joe Clark voiced regret, saying Canada would continue its membership. And there were similar reactions from other Commonwealth members and London's 30 partners. Still, some Western diplomats professed surprise British delegates to

Britain, which helped found UNESCO 40 years ago, will leave the agency at year's end, despite pressure to stay

last month's UNESCO conference in Paris, Belgium, had appeared antipathetic with efforts to reform the agency. The conference had agreed to suspend work on several controversial programs, favored by Communist bloc and Third World nations.

Indeed, a confidential Foreign Office paper recently made public found over-

whelming support within the government for continued membership. In a heated Commons debate last month 13 of 14 speakers—including former Foreign Minister Edward Heath—opposed the proposal. Heath warned against "hasty, narrow-minded nationalism" that believes we can survive without the rest of the world. And only two weeks ago the government's own United Nations voted 34 to 2 to keep Britain in the agency.

The decision is ironic, taking at a Thursday meeting of Prime Minister Margaret Thatcher's cabinet, produced an unusual diplomatic situation: most of its constituents, largely the work of Britain, is housed in London. But Britain's annual \$10-million contribution, 4.5 per cent of UNESCO's budget, was not likely to be missed—most of the money is returned in salaries for British employees and purchases of British goods. Nor are other UNESCO critics likely to follow Thatcher's lead. For his part, Raiton said that the decision did not weaken his country's commitment to the United Nations: "Our support for the UN should be seen to support far effective and efficient organizations," he said. "Unfortunately, UNESCO is not such a body."

—JAMES BELL with MALCOLM JONES in Paris and DAVID NORTH in London



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The White House's loss

The Washington party was well under way when an awkward hush fell over the room. All eyes turned toward the guest who had just arrived and was busy refusing demands for interviews. "No," said Robert McFarlane to a CBS producer, deflecting the request, "you don't want to interview a has-been." Only hours ear-

lier McFarlane, 46, had resigned from one of the most important jobs in the U.S. government: national security adviser to President Ronald Reagan in a brief televised ceremony. McFarlane had cheered the President for his support. But in fact, his departure last week was the result of a long power struggle with White House Chief of

Staff Donald Regan—a defeat with potentially serious consequences for the President. And one former official: "Donald Regan knows nothing about foreign policy. This is a real loss—chances on the installment plan." In the White House press room, Regan himself announced the resignation of the man who had been one of the chief architects of last month's response to Soviet troops in Geneva. Then he named McFarlane's press-room deputy, Vice-Admiral John F. Bunker, 48, as his fourth national security adviser in five years. The President denied reports of changes of lighting, and McFarlane dismissed the suggestion as "nonsense." Still, as aides fought back tears, McFarlane was a grim and weary expression.

Appointed in 1982, the former marine lieutenant-colonel was considered a skilled technocrat who had studied the national security apparatus as no one else. In two acknowledged mentors—Henry Kissinger (1973-75) and Brent Scowcroft (1975-79)—he quickly established himself as an adept arbitrator in cabinet policy disagreements between Secretary of State George Shultz and Defense Secretary Caspar Weinberger. Using experience gained as an adviser to the Senate armed services committee, he successfully bargained with Congress on several key issues, including the 900 missile, and he was often instrumental in softening Regan's anti-Soviet rhetoric.

McFarlane's problems with Regan, 66, neither define neither and, for our money secretary. Based on the key issue of presidential access, Regan tried to assume responsibility for the President's daily security briefings—traditionally the job of the national security adviser. Reports of their escalating dispute led to predictions that one or the other would depart after the summit. In fact, it was in Geneva that McFarlane apparently decided to leave after finding himself shunted down the table from the President by Regan.

McFarlane's exit resonated through the corridors of the White House, a stark statement on the undisciplined White House stringman. Administration insiders predict that the reticent Funderburk, a career naval officer with a PhD in the philosophy of nuclear physics, will lack the assertiveness needed to broker the Shultz-Weinberger ideological dispute. And although Funderburk is a skillful crisis manager—he directed the U.S. interception of the Achille Lauro hijackers—he has no congressional base and little experience in arms control. Over the next six months, as Regan prepares for his next superpower summit, these shortcomings could have serious consequences.

—MARKET NEWSWIRE in Washington

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—over 80 per cent of the fir forest in Cape Breton was killed by the

spruce budworm. The spruce and jack pine budworms are causing extensive damage in the northern boreal forest of Ontario, and similar losses are occurring in Quebec and the Atlantic Provinces. Many of these losses could have been contained had foresters been able to protect the forest adequately.

Deprived of pesticides, many forest management efforts are virtually meaningless. At stake is not only the welfare and productivity of the forest, but also the livelihood of tens of thousands of Canadians in hundreds of communities across Canada.

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To learn more about Canada's pulp and paper industry, write to Louis Forner, Public Information Officer, Canadian Pulp and Paper Association, Sun Life Building, 23rd Floor, 1155 Metcalfe Street, Montreal, Que., H3B 2A9.

The Pulp and Paper Industry of Canada

SOUTH AFRICA

Defying apartheid



Mandela: resurgence

heroes will be avenged," she declared. Reversing the protest, diplomats from 51 nations, including Canada, attended the funeral. Mandela's impassioned speech was a direct challenge to a government order that makes it illegal for any to use more than two persons at a time. She has defied the law since August when she returned to her home in Soweto from exile in the Orange Free State. Police made an effort to intervene, but two days after her speech Mandela checked in to a Johannesburg nursing home, complaining of exhaustion.

BRITAIN

Joining Star Wars

Since March U.S. Defense Secretary Casper Weinberger has traveled the globe soliciting allied support for the administration's Strategic Defense Initiative, or Star Wars. Five governments, including Canada's, have refused to participate. But in London last week his efforts finally brought results. With the signing of a U.S.-British memorandum of understanding, Britain became the first country to formally join it. According to officials, the agreement bans 18 areas of British participation, including research into particle beams and radio-frequency weapons. Although Britain is not guaranteed a specified share of the \$10-billion budget, Weinberger said he was certain it would bring many contracts to British companies. The agreement was quickly denounced by opposition Labour Party leader Neil Kinnock, who called it "divided and dangerous," and by the Soviet news agency Tass, which said it "demonstrates the spirit of the Geneva summit." Still, Britain's action may encourage other allies to join. Italy and Israel have shown interest. In the past, and West Germany has pledged to make a decision by Christmas.

NORWAY

A Peace Prize dispute

The annual selection of Nobel Peace Prize winners has provoked cold-war controversy, but this year's choice of first seemed politically neutral—the International Physicians for the Prevention of Nuclear War, led by Soviet doctor Yevgeny Chasnov and U.S. physician Bernard Lown. Then, with the announcement due to receive the 1985 award in Oslo this week, a political storm broke over Chasnov's selection. A letter of protest to the Nobel committee last week from West German Chancellor Helmut Kohl and 50 other European Christian Democrats charged that Chasnov, a member of the Soviet

Communist Party's Central Committee, had signed a 1973 letter that "viciously slandered" physicist Andrei Sakharov, a leading Soviet advocate of nuclear disarmament and 1980 Nobel peace prize winner in 1975. "This letter was undoubtedly the start of a campaign against Sakharov which led to his banishment to Gorky," wrote Kofi Annan, Nobel organizers vowed to proceed. In protest, a private Norwegian group planned an alternative peace prize—a token candle—in Astorby Kirkegaten, a Soviet psychiatrist jailed for denouncing the detentions of Soviet dissidents in mental institutions.

ITALY

A conditional release

Yelena Bonner, wife of killing dissident physicist Andrei Sakharov, arrived at Rome's Franciscan support last week to face a crash of your nation. But Bonner, 62, finished last year into internal exile for anti-Soviet activities, did not speak to the press. The reason: her 90-day visa was conditional on a written agreement with Soviet authorities not to give interviews. Any violation and she would not be allowed to return. But while Bonner was pledged to silence, her son, Alexei Sergeyevich, was not. Sakharov, he told reporters, had staged a six-month hunger strike earlier this year to win the release of his wife. He lost 44 lb and had to be ferried by Soviet doctors. Added Sergeyevich: "His condition is critically precarious." Suffering from catarrhs and glaucoma, Bonner last week consulted an eye specialist, who said her condition posed no immediate threat to her sight. Later, before flying to Boston for possible heart bypass surgery, Bonner renewed a 10-year-old acquaintance with Bettino Craxi, Italy's prime minister since 1983. Remembered Bonner: "The only thing that has changed since then is that he has become a prime minister and I have become a criminal."

FRANCE

An unwelcome visitor



Jastrzebski: rear door

France's Socialist president, François Mitterrand, gave his visitor a restaurant welcome: no public handshakes and a shortened honor guard ceremony. In fact, when Polish head of state Gen. Wojciech Jastrzebski arrived in Paris last week, officials ushered him into the president's Elysee palace through a rear door. Still, Mitterrand became the first Western leader to receive Jastrzebski since Poland crashed the Solidarity free trade union movement in 1981. To protest the 80-minute meeting, the French Senate suspended the session, and several hundred trade unionists and human rights activists joined a demonstration outside the Polish Embassy in Paris, shouting "Jastrzebski, assassin" and "Solidarity will live." Even France's prime minister, Laurent Fabius, acknowledged in parliament that he was "personally involved" in the sudden decision to host the Polish leader. Later, in a half-hour telephone conversation with Mitterrand, Fabius reportedly offered his resignation. The president rejected it and defended his decision to meet Jastrzebski, saying, "I believe we can do most for the Polish people through dialogue."

Oh, Charles,
the bracelet wasn't necessary.

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The car for people going places.

A sales lesson for Tories

The announcement led to a week-long political debate studded with sarcasm and contradictory assertions. In Ottawa, the Conservative government hailed the sale of de Havilland Aircraft of Canada Ltd. to Boeing Co. of Seattle as a major benefit both to the federal treasury and to the frail Canadian aerospace industry. "We have taken the only sensible and realistic course," declared Treasury Board president Robert de Cotret. But nationalists and members of the opposition parties described the purchase of the Crown corporation by the giant U.S. aircraft company as a sell-off of Canadian technology—at a bargain-basement price. "What we have really given to Boeing is a \$1-billion Christmas bonus," said Liberal Leader John Turner. And as the controversy dominated the Commons last week, it was clear that the Conservatives faced a tough and divisive battle over their plans to sell more Crown corporations.

The Tories last declared their decision to sell or shut down some of the \$77-billion worth of Crown corporations in October, 1984. The list includes 87 parent corporations with 134 wholly owned subsidiaries and investments in another 126 companies. \$40, they reveal, about \$8 billion annually in government support. And the process of privatization has been more complex and slower than the Tories expected.

The government has sold most of its 45-per-cent stake in the Canada Development Corp., a holding company set up by Ottawa in 1971, for \$394 million. But it has managed to sell only three corporations de Havilland, the aeronautics maker Canadian Airways Ltd., sold last week to The SNC Group of Montreal for \$68 million, and Northern Transportation Co. Ltd., a marine transport services sold to two Irish-controlled companies last July for \$27 million. Three more corporations—Canadian Ltd., Eldorado Nickel Ltd. and Telephone Canada—are still awaiting bids. And all remaining firms, such as Petro-Canada and the Canadian National Railway Co., are under scrutiny.

The de Havilland agreement says that Boeing will pay \$96 million in

cash and \$40 million in a deferred payment which will be reduced by \$1 million for every \$5 million of new work ordered in Canada. Boeing will also get 150 million more modification of the Toronto facilities over five years—and contribute \$60 million to the development of a 36-seat stretched version of the 36-seat Dash-8.

For his part, Paul Marshall, president of the Canada Development Investment Corp., the Crown holding company for de Havilland, pointed out that the sale to Boeing was unanimously approved by the businessmen who sit on the corp. board of directors, the 1983's financial advisers, as well as a select cabinet committee with its own advisers. Salomon Brothers Inc. of New York since 1982 Ottawa had put \$700 million into the company. De Cotret said last week that de Havilland lost \$23 million in the first nine months of this year and that it would have lost another \$300 million next year.

But Liberal and New Democratic Party MPs charged that the company might have made money. Liberal MP Robert Kaplan declared that the company was sold just as the taxpayers' money was having results. 30 Dash-8s have been sold since 1980, and buyers have options to purchase 50 more, says Leader Ed Broadbent added that taxpayers would sweeten the sale with \$60 million in tax breaks and grants. He also estimated that in the last 15 years Ottawa will pay up to \$36 million to cover Boeing's increased insurance and liability costs.

In Toronto, where de Havilland employs 4,500 people, opposition parties

in the provincial legislatures were granted an emergency debate on the sale. One of the economists in Toronto and Ottawa was the buyer's U.S. origin. Said Turner: "Why did the government give away about \$1 billion worth of high technology in the aerospace industry and do so in such a way as to give control to an American company?" Other MPs charged that Industry Minister Sinclair Genuis, who led the sales effort, did not set a bid led by a Canadian corporation. Kinango Holdings Ltd. of Toronto, which included Versatile Corp. of Vancouver and Pelterer of the Netherlands. "They made very little effort to encourage or help a Canadian bid," said Kinango president Ian McDougall. But Genuis' Marshall described Kinango's bid as "blue-sky promises." He said that he went out of his way to help, but they bid was "disappointing."

The controversy highlighted the difficulties that Ottawa faces in selling Crown firms that the Conservatives are charged that with more companies. "We believe that a commercially oriented company is more efficient in the private sector than in the public sector," de Cotret told Marston's. As well, federal officials say they are encouraged by the British experience: since 1979 Conservative Prime Minister Margaret Thatcher has successfully sold all or part of her government's interest in 15 major corporations, including British Telecom and Jaguar PLC.

In fact, in the May budget the Tories declared that they would shut or sell all Crown corporations that did not fulfill a public-policy purpose. They

have closed six companies, including the Canadian Sports Pool Corp. Two others, including Comcan, a company incorporated in 1983 to promote agricultural exports, are in the final stages of dissolution. Last May, Ottawa created a special ministerial task force on Crown corporations that includes de Cotret, Stevens, Energy Minister Pat Carney and Minister of State for Finance Barbara McDougall. In September it created a special 20-member

advisers committee with departments affected by the sale. Labor Minister William McInnes was contacted about the de Havilland sale, and Communications Minister Marcel Masse is involved in the Telephone sale. Their recommendations are forwarded to Prime Minister Brian Mulroney and cabinet. The most sensitive of the prospective sales involves Telephone, the sole provider of non-U.S. international communications services to and from Can-

ada. Should be regulated and what rate of return the regulator should allow.

The lack of resolution of those policy questions has slowed the sale. The 11 companies that have submitted bids for Telephone have been asked to limit their offers to a set of 10 "reasonable assumptions" published by Stevens and Masse last August. Cabinet is now deciding if those assumptions should be made firm conditions of sale. Said Genuis, a Toronto lawyer who is representing one bidder: "The bottom line is that you are dealing with a monopoly service and the acquisition can have a substantial effect on consumer rates."

Senior Treasury Board officials told Marston's that every Crown corporation—with the exception of some public policy vehicles like Air Canada—is under examination. De Cotret estimates that in the next year Ottawa will identify at least 18 more candidates for sale. Some, like Via Rail Canada Inc., may be impossible to sell because they constantly lose money. Others, like Petro-Canada, could be sold through a public share offering.

For his part, Marshall, who took the \$400-million job of selling off the Crown corporations in October, 1984, says that he hopes to sell both Telephone and the aircraft manufacturer Canadian before he returns to his job as president of Western Resources Ltd. of Calgary in late February. Pierre Des Marais, chairman of the executive committee of the Montreal, Quebec Community, will replace him. Few companies have shown an interest in Montreal-based Canadian, which manufactures the Challenger corporate jet. But the prospect of selling Eldorado, the uranium mining and processing firm, is not as promising. \$60, eight companies are considering making a bid, even though the firm lost \$18.3 million in the first nine months of the year and carries a \$600-million debt.

Canada is now a money-maker—it showed a profit of \$12.1 million in the first nine months of this year, mainly because the government wrote off a 1982 loss of \$1.4 billion. Its sale will likely draw the same criticism—that it is being sold just when taxpayers could expect to reap a reward—as the de Havilland deal. And the sale of Eldorado is almost certain to raise charges that the government is selling a vital national resource. De Cotret said Marston's last week that the underlying principle of every sale should be: "It is always a good deal for Canada." The problem for the Tories will be to convince voters that each sale is, in fact, a good deal.

—MARY JANEAN with PAUL GIBBELL in Ottawa and BRUCE WILLIAMS in Montreal



Sinclair privatizes



Dash-8s: pricing the controversial sale of 87 Crown companies

"privatization secretariat" at the Treasury Board.

Officials from each department are now working with that secretariat to examine Crown corporations that are under the direction of their respective ministers. The secretariat studies the financial and policy implications and sends its recommendations to the ministerial task force. If they decide that a firm can be sold or dissolved, then the

sale. There are many possible buyers, largely because the firm is a consistent money-maker. In the first nine months of the year it showed a profit of \$12.1 million on revenues of \$465 million. But the policy implications are major ones: the issue involves how much foreign ownership the government should allow and whether Telephone's monopoly should be continued. The committee must also decide how the firm

A scandal in the City of London

For most of its 200-year history Lloyd's of London, the world's largest insurance institution, has been renowned for its adherence to the sound business practices outlined in its motto "With utmost good faith". But in the past several years an embarrassing series of lawsuits, rumors and outright scandals involving Lloyd's underwriters has shaken Lloyd's financial integrity. Lloyd's directors have struggled to reform the insurance syndicate from within by rooting out dishonest underwriters and introducing stringent new disclosure and auditing standards. But last week Labour MP Brian Sedgemore unveiled a new series of sensational allegations which indicated that not all of the skeletons have been swept from Lloyd's cupboard.

Sedgemore's revelations included charges of widespread fraud. He also uncovered new details of an elaborate scheme to invest money through difficult-to-trade assets from Lloyd's operations into such interests as pornography films and through-bred random syndicates in Kenya. The disclosures seemed certain to increase pressure on Britain's Conservative government to tighten controls on illegal business practices in the City of London—the square-mile financial centre that is home to most of Britain's banks, brokerage houses, commodity firms and insurance companies. Indeed, Lloyd's was not the only major British financial institution to find itself surrounded by controversy last week. Police and opposition politicians are also attempting to unravel the tangled affairs of Johnnie Matthew Bakers, a gold bullion dealer which collapsed in 1983 with \$500 million in uninsured or badly secured loans.

The two high-profile scandals have caused serious public criticism of the government's inability to combat white-collar crime. Defeated London Stock Exchange chairman Sir Nicholas Goodson in a recent letter to Prime Minister Margaret Thatcher "There is a continuing and worrying failure to bring prosecutions against individuals who some rightly likely to have been involved in financial fraud."

Still, proof of corruption has been hard to establish. City of London Fraud investigators who have been searching through documents seized from Johnnie Matthew last July are only now beginning to piece together details of alleged wrongdoings that occurred as early as 1983, when the gold dealer first began to expand its commercial

lending operation in one east London police suspect the bank of having acted as intermediary in a black-market currency swap involving members of the former Nigerian government of President Shugu Dabari.

The Nigerian politicians may have smuggled huge fortunes into London



Green (top) Miller: sensational allegations of financial wrongdoing



by paying vast sums for worthless or nonexisting imports. In all, London police allege that the politicians swapped more than \$20 million out of the African country and into Britain—where they spent it on cars, houses and other assets—before Bakers's regime was overthrown in a January, 1984, military coup. The new government stopped the practice by cancel-

ling all outstanding trade licenses.

Sedgemore also alleged last week that there was an apparent conflict of interest involving a senior Johnson Matthew official. According to the MP, who has led the campaign for a full inquiry into the bank's collapse, one of Johnson Matthew's largest debtors, Abdul Shauqi, a wealthy Arab trader, lent an apartment in London's wealthy Mayfair district to Ian Fraser, a Johnson Matthew director. Sedgemore also said that Fraser "dined there on a number of occasions with a number of young women." Sedgemore has repeatedly claimed that several favors were exchanged as part of Johnson Matthew banking deals, an arrangement he refers to as "bribe for bankers."

Sedgemore, who is protected from the threat of a libel action by parliamentary privilege, also called last week for the resignation of Lloyd's chairman Peter Miller, whom he accused of "succeeding crime" by refusing to hand over to government prosecutors transcripts of internal company disciplinary hearings. The left-wing MP also claimed that Miller's predecessor, Sir Peter Green, had used money belonging to other investors for his own benefit. He added that Green had a "close business relationship" with Peter Cameron-Wild and Peter Dixon, Lloyd's underwriters, who allegedly skimmed more than \$100 million of investors' money and invested it in oil and gas operations in the United States, an orange juice company and Kentucky real-estate. They also invested in two anti-pornographic films, *Let's Do It* and *The Last Horror Show*.

For its part, the Thatcher government fought back against growing criticism of its handling of the two affairs. In a letter to Liberal Leader David Steel, Thatcher expressed concern "at the damage which the mismanagement of a few people can do to the reputation of the City." She also pledged that the new Financial Services Bill to be introduced this month would make it easier to prosecute fraud.

Still, Thatcher's government does not plan to challenge the City's free-market practice of self-regulation, under which companies are expected to police themselves. Said one major investor in the scandal-ravaged insurance firm, who insisted on anonymity: "Lloyd's lives in a world of its own. Exposure to the legal and commercial world is a hostile world and it would fall apart."

—BOB LAYNE in London



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Supplies bound for a Golden Star mine sits; Fennell (below) 'who are we to judge?'

A Golden Star strike

The small red-and-white sign in the multi-story office of Golden Star Resources Ltd., an Edmonton mining company, reads, "Remember the Golden Star. Whoever has the gold makes the rules." And Golden Star, whose board of directors includes such political luminaries as former Alberta premier Ernest Manning, now owns large amounts of the precious metal. Indeed, in November a geological study by the Montreal-based engineering firm SNC Inc. valued areas north of speculation when it confirmed that one of Golden Star's five mining properties in the South American jungles of Guyana contains at least 23 million ounces of gold worth about \$800 million. And this week Golden Star's president, David Fennell, an Edmonton lawyer and former defense lawyer for the Edmonton Eskimos, will submit development plans to Guyana's ruling party, the socialist People's National Congress (PNC). If accepted, they could make the company Guyana's largest foreign investor.

But local politicians and human rights activists have already charged that Golden Star's investment will prop up a controversial dictatorship that is badly in need of foreign currency. The company's proposal for a \$150-million open pit mine that could extract as much as 250,000 ounces of gold a year would generate millions of dollars in royalty fees for the Guyanese government. Indeed, the Orinoco mine in Guyana's central jungles would be the largest single foreign investment in

Guyana since its government nationalized the Essequibo Bauxite Co., a subsidiary of Montreal-based Alcan Inc. Co. of Canada Ltd. in 1971. The investment is critical to Guyana, which is in no small financial difficulty that in 1983 the International Monetary Fund refused to lend it further funds.

The government, opponents claim, that Golden Star's investment will reinforce the rule of the annually recalled PNC, which has dominated Guyanese politics since 1964. Civil rights groups have accused the PNC of violating human rights, economic mismanagement and rigging three elections. Said Rev. Andrew Morrison, a Jesuit priest in Guyana's capital, Georgetown, who is also editor of the Catholic Standard, the country's only newspaper:

"There is a good body of opinion which says that external powers should not support the current government because it discriminates the people and represses the oppressed." But Fennell says that his job is to develop the mine in a responsible manner. He added, "For all those people who say business should be conducted along moral lines, I say 'What country is a good country? Who are we to judge what they do?'"

According to engi-

neering reports, the Orinoco mine offers Golden Star a world class gold deposit. As well, preliminary assay results from the company's other concessions have been promising. A second mining property, the Arima in Guyana's southwest jungles, may be as rich—or richer—than Orinoco.

Guyanese government officials say that they hope that Golden Star's mine will provide a steady stream of revenue from royalties. Currently, most of Guyana's gold is mined illegally by prospectors who smuggle it to Brazil where it brings a higher price on the black market than if it were sold officially through the Guyana Gold Board. Only one-tenth of the nation's mined gold production is sold through the Board, an agency controlled by Guyana President Desmond Hoyte. The Orinoco mine, if it reaches a target of 250,000 ounces a year, could match Guyana's official total gold production for 1984 in just two weeks.

But the company will continue to face controversy over its activities in Guyana. For one thing, Morrison charges that the marketing practices of the Gold Board, which would buy an undisclosed percentage of Guyana's gold at fixed rates, is "unacceptable" to the Guyanese people. He added, "We do not know what happens to the gold. It doesn't even pass through the Bank of Guyana." Declared Ken Levitt, an economics professor specializing in Third World development at Montreal's McGill University, "It is fortunate for the Guyanese government that it would find itself a source of foreign independent of international agencies and governments that might ask questions."

The Canadian government has publicly expressed concern with Guyana's record on human rights. In 1982 the Commons external affairs committee recommended that Canada convey its "extreme displeasure" with Guyanese human rights policies and practices and reduce foreign aid and last summer Canada's High Commissioner in Guyana made a symbolic gift of several books about human rights to Guyana's Human Rights Association.

But for Fennell and Golden Star's 730 shareholders, the recent finds more than justify optimism. Said Fennell: "The further we go, the more certain we are that Golden Star has found its El Dorado."

—ANDREW MEYERSON
in Montreal



FOR UNEXPECTED COMPANY.



AMARETTO DI SARONNO ORIGINALE 1525

FOR AN UNEXPECTED TREAT TRY AMARETTO DI SARONNO AND ORANGE JUICE.

Charting a market surge

Traditionally, most Canadians have avoided the stock market, preferring to place their savings in banks. During the early 1980s that conservative strategy proved to be a sound one. At the time, stock prices were uncertain during the recession and bank savings rates soared. But lately that trend has reversed—interest rates have sunk to five-year lows, and stock markets have climbed to

record highs. As a result, thousands of Canadians are responding by changing their investment strategies. Saul Belsi Harris, a financial planning consultant with Financial Concept Group Inc. in Toronto, "We have seen fall aside in the past 10 or 15 years—we're back to shares and bonds is a big way." Indeed, major stock exchanges around the world have been climbing since September, with the New York

Stock Exchange setting a new high 16 times last month. The Toronto Stock Exchange set three records in a week. And while some analysts predicted that the markets will soon drop slightly—a typical short-term "correction"—of a rising market—most were convinced that the long-term trend is upward. Saul Andrew Kneewasser, president of the Investment Dealers Association of Canada (IDA), "The reason we are all in place for very strong capital markets in Canada."

The key to the upsurge is a series of predictions of economic growth and stability. Informetrix Ltd., an Ottawa-based economic forecasting agency, for one, estimates that inflation will remain at or below 3.5 per cent until 1990. Interest rates, currently around 13 per cent, are expected to remain stable or drop slightly. As a result, and Informetrix president Michael McCracken, "there is a widespread belief that economic growth will continue for some time without a recession."

In the United States, some analysts predict that the Dow Jones average, which last week broke the psychologically important 1,500 mark for the first time since 1929, could easily reach 2,000 points—or even 3,000—by 1990. In both countries, stable interest rates have led to a level of public confidence unattained for a decade—and to a renewed perception of the stock market as a relatively safe place to invest.

For members of the Canadian financial community have benefited more from that change than managers of the country's investment and mutual funds, who control an estimated \$11-billion worth of savings for more than a million small investors. Sales of investment funds reached a record \$1.5 billion in the third quarter of 1989—more than all sales in 1982. Securities dealers are also prospering. Kneewasser predicts that 1989 will be the second most profitable year on record for the IDA's 50 members.

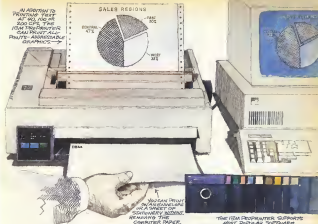
Spokesmen for many securities firms say that attracting new investors is a key to future growth. "Most firms are looking to increase the size of participation in the market, instead of carving up the existing pie," says Robert Ritzschner, research director for Montreal Doherty Ltd. of Toronto. In fact, some observers say that heightened interest on the part of small investors is itself behind the market's surge. Saul Kneewasser Joppe, an economist with investment dealer Burns Fry Ltd. of Toronto, "It's difficult to see which is the cart and which is the horse." For those people who are actually making money on the stock market, the answer appears not to matter.

—THERESA TERSO in Toronto

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Company Christmases

A 11 p.m. on Sunday a convoy of buses packed with excited children and their parents will arrive at the Number 2 Galvanizing Line of the giant steelmaker Dofasco Inc. in Hamilton, Ont. Inside the enormous building on the shores of Lake Ontario, the partygoers—including 10,000 children—will be greeted by clown bands playing Christmas music, gift booths, a 35-foot-high Christmas tree and, of course, Santa Claus. The occasion is Dofasco's 49th annual Christmas party, and this year 38,000 invitations were sent to employees and their families. That same day in Toronto 1,700 children and 2,000 parents will attend the Bank of Montreal's second annual children's Christmas party at the Home Banquet Hall. The \$20,000 celebration for the bank's Toronto area employees will feature magic shows, games run by elves and a face-painting centre. Said Stephen McCrory, a Bank of Montreal accounts manager who is co-chairman of the party: "It's a lot of money and work, but it's good to get out with your children and meet people whom you haven't seen all year."

Indeed, despite the performance demonstration to keep company opera-



Dofasco's annual party—38,000 guests

tions last, the annual Christmas party is there. Across Canada companies take time to celebrate—from pool dinner-dances in five hotels to small buffets on the factory floor. Said Helen Cain, personnel manager for Bursary, B.C.-based Southland Canada Inc., which operates 400 11-elves convenience stores: "Christmas parties are a way to tell our employees that they are appreciated."

For most companies, dinner-dances are the favorite form of celebration. Currently it costs \$70 to \$90 per person to stage a dinner-dance with a free bar. Some companies, such as McCain Foods Ltd. of Monroville, N.B., sell tickets to defray part of the cost. Others, such as food giant Nestlé Enterprises Ltd. of Toronto, pick up the entire tab. Indeed, Nestlé even pays off fares home for employees.

Every year tradition and innovation both play a part in the celebrations. For the Bank of Montreal's party the organizers used a computer to analyse the ages and interests of the children to ensure that each received an appropriate gift. And while T-Eleven's 4,300 employees each get a voucher for a Christmas turkey, this year at Dofasco's party the staff will receive food plus a special gift—a meeting pen.

—SANDY FIFE in Toronto

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BUSINESS WATCH

Selling off the Crown jewels

By Peter C. Newman

Last week's sale of The de Havilland Aircraft of Canada Ltd. and Canadian Airways Ltd. was only the first step in a complicated series of financial manoeuvres intended to dismantle Canada's largest commercial empire: the \$77-billion Crown corporations now run by Ottawa.

The idea of "Crown corporation" came of age with C.D. Howe in 1957 when he launched Trans-Canada Air Lines, the predecessor to Air Canada. This and the many Crown corporations that followed matched perfectly the needs of the day—to provide a mechanism for essential enterprises devoid of the kind of bureaucratic centralism that hampers government departments. Howe created 23 such corporations during the Second World War, establishing them at such a rate that he ran out of names and instructed his assistants to call them after exchange picks randomly out of the Montreal telephone directory.

By the start of the Mulroney Years there were 83 federal Crown corporations in existence, spanning through 134 subsidiaries and employing nearly a quarter of a million men and women. (The *Financial Post* 550 also lists 18 provincially owned Crown corporations with combined assets of \$44 billion.)

Privatization is not really a very recent notion. De Havilland, for example, required a \$200-million bailout last year and still lost \$40 million on sales of \$284 million during 1994. Although the Deak-1 and Deak-8 are great airplanes, there seems to be little chance of the company breaking even on its own. Privatization may be the only way out, but it was wrong to confuse this process with further Americanization, which is what happened in this case.

The de Havilland move is part of a growing phenomenon, not just within the Big Three democracies—the United States, Britain and Canada, each of which has a conservative government—but throughout the Third World. In Bangladesh, nearly 100 formerly government-owned jute, textile, chemical and engineering enterprises have been sold to the private sector since 1992. Jamaica has sold or leased out most of its state-owned sugar refineries. Brazil has just announced that 73 of its government-owned companies will be returned to the private sector, with Mexico, Peru and Argentina due to follow.

"In Africa especially," London's *Financial Times* reported recently, "state enterprises have tended to be disastrous. In some countries, people who wanted to make money went into the public sector and the state became an instrument of private entrepreneurship—or, putting it bluntly, plunder."

Nowhere has the privatization sequence advanced further than in the United Kingdom, where Sir Michael Prie, president of London's first enter-



Neugebauer: rushing to privatize

prise Adam Smith Institute, has labelled the move "the largest transfer of property since the dissolution of the monasteries under Henry VIII."

According to one estimate, publicly owned British industry is being sold off at a rate of \$2 billion a year. (Due next to be on the block is the huge \$16.5-billion British Gas Corp.) To date, nearly 400,000 jobs—almost one-third of the total nationalized work force—have been transferred to the private sector.

Some critics of British Prime Minister Margaret Thatcher's policy maintain that privatization amounts to a form of capitalism equivalent to selling off the family silver. "The reality," Energy Secretary Peter Walker, who is in charge of the latest privatizations, has replied, "is that both public and private enterprise are part of the nation's wealth. It is not, in fact, selling family silver—it is transferring the silver from the politicians and the civil servants to the family."

In Ronald Reagan's America the rush to privatize has reached bizarre proportions, with even jobs being placed under corporate management. The largest U.S. offshore operator in the Caribbean Sea Corporation of America (COA), started by a Tennessee entrepreneur named Thomas Beasley and Jack Massey, who founded Hospital Corporation of America, the world's largest private hospital company in the world, and also helped finance Colonel Sanders' Kentucky Fried Chicken empire. The company already runs two jobs in Texas (earning up to \$8 per cent less per person per day than the cost when the same facilities were government-owned) and manages other local enterprises in Florida, North Carolina and Tennessee.

Instead of "procurement" and "guards" the company refers to its customers as "residents" and their keepers as "resident supervisors." The latter are offered stock options after a year on the job. In a typical proposal COA has offered \$250 million to the state of Tennessee for the right to run all its prisons, which currently house 7,600 inmates. For its part, the company would take over the current state prison operating budget. COA believes that its efficiency will cut deep enough to spread the entire sum of \$300 million between new prisons and renovating existing buildings.

Whether or not this trend will extend is too early to predict. Mark Carraway, executive director of the National Association of Criminal Justice Planners in the United States, stresses that the hard bottom line should not be the paramount consideration in any prison-growth program. "The private sector," Carraway says, "is more concerned with doing well than with doing good."

That caveat also applies to de Havilland Aircraft of Canada.



Moore: 10 years older and a little guttier

Artist and rock singer **Michael Jordan**, 35, last week recalled the incident that led her to work with manically handicapped young people—and to the half-hour documentary *Face to Face*, due to air on Ontario's Global tv on Dec. 31. **Joe Jordan**: "Two years ago I was on holidays with my daughter and saw a group of retarded kids having a picnic. One of them got sick and we cut paid any attention to him." Added **Jordan**: "Here I was with my daughter, who always has someone there for her—and here was this kid who had nobody. I said 'This is it. I'm going to help these kids.'" Since then, **Jordan** has been working with mentally handicapped youngsters at the *Baroness of Caring* in Scarborough, Ont., teaching them how to paint and use video equipment. *Face to Face* revolves around her special relationship with **Harold Harrington**, 20, who, although retarded, feels the pain, as **Jordan** puts it, "instill back at the world" by conducting a series of man-on-the-street tv interviews. **Jordan**, formerly the lead singer of the punk rock group *The Polec*, also composed and sang the film's theme song, *Nice Street*. "These kids love rock

music," **Jordan** said. "We listen to it all the time."

The spunky young Mary Richards whom **Mary Tyler Moore** played in her 1970-1977 show often inspired viewers who faced difficult decisions to ask themselves what **Mary** would do. **New 47, Moore** says: "Mary Richards was essentially me. She was decent, loyal, dependable and had a sense of humor." She added that **Mary Bennett**, the character she plays in her new situation comedy, *Moore*, which features **James Farentino** and **John Amos** and airs on CBS and CBC Dec. 31 (Moore plays the divorced "helpless" co-owner of a sensational Chicago newspaper), is similar. "She is a little guttier—she is 30 years older and has had a few more experiences. If it

hasn't given her a quality, it has given her a new pattern." Said **Moore**, who has endured many crises in her own life, including two divorces, the death of her sister and son and treatment for alcoholism: "The saddest I've been through are not intrinsic part of my being. But I think I finally knew what happiness means." Declared the *Entrepreneur* **Moore**: "Get ready, boys and girls! Happiness for me now is the acceptance of the fact that there is no such thing as resolution—and knowing that the happy moments are going to be gone, but they will return again."

Black: Gangsta's Khan?



Toronto-based Argus Corp. chairman **Carver Black**, 51, was apparently preparing last week to take control of a major share of the *Daily Telegraph* newspaper group, which publishes London's *Daily Telegraph*, the United Kingdom's largest "quality" newspaper, with a circulation of more than 1.2 million.

Noted for its rigorously conservative editorial policy, *Telegraph* management and scrupulously detailed reports of murders and sex scandals, the 130-year-old newspaper has been the subject of speculation in financial circles for several months because of its disastrous circulation and shaky financial situation—note that **Black**, as the major shareholder, would undoubtedly take steps to remedy.

He was expected to confirm or deny his rumored purchase this week, although it was unclear whether his acquisition of 14 per cent of the company last June meant that he indeed has the automatic right to acquire a controlling interest. But *The Times* of London's financial editor, **Kenneth Fleet**, commenting in a story published late last week, said that a major change was likely in the ownership of the troubled firm, and he added that the current balance is shareholdings (46 per cent by company chairman and *Telegraph* editor-in-chief **Lois Hartwell**, 74, and his sons, **Adrian** and **Nicholas Barry**, the remaining shares, apart from **Black**'s stake, by insurance companies and similar institutions) could "sit in fever" of **Black**, "when Fleet described as 'a Canadian businessman with a *Gangsta's Khan* reputation."

However, **Fleet** speculated that even if **Black** emerged from the negotiations with 48 per cent of a controlling minority, he would in time sell his interest to someone else, most likely to Australia's **John Fairfax & Sons Ltd.**, publishers of the *Sydney Morning Herald* and recent purchasers of London's *The Spectator*.

This weekly journal published a scathing profile of **Black** last month, prompting him to reply in a letter to the editor, "I am not interested in the fixation of journalists." But **Black** may soon have to face their critics. **Paul Williams**, a senior official of the National Union of Journalists (which recently passed a vote of no-confidence in the *Telegraph*'s management), said that journalists there "would become a strong owner who could deal with the group's problems into the 21st century." He

added, "But we don't want someone who is going to buy and sell us like livestock at Woolies."

—Edited by MARY MOORE

Show Your Stripes!



Tia Maria
TONIGHT

The advance against cancer

The effect was electrifying immediately after Dr Steven Rosenberg began announcing the dramatic results of an experimental cancer treatment using the human Interleukin-2 (IL-2) last week, thousands of desperate people began telephoning the National Cancer Institute in Bethesda, Md. The phone lines at the sprawling complex were jammed as dying cancer patients, their relatives and doctors grasped at a final chance for a cure. One doctor called to say that his patients were reluctant to continue radiation therapy and were demanding "the Rosenberg method" that the portable 45-year-old cancer surgeon did his best to diffuse the excited speculation that he had found the cure for cancer.



Rosenberg and patient: although not fully proven, interleukin-2 marks a new era in cancer therapy

They have to be. But many of us believe that this could be it. In the long run, despite the fact that Rosenberg's team has treated only 26 patients, no cancer-fighting drug has ever produced such impressive results as those achieved with the complex Interleukin-2 therapy. The patients Rosenberg began treating last year all suffered from advanced cancer which conventional therapies had not cured. While 16 patients did not respond to treatment, the tumors of 10 people shrank by more than 50 per cent. In one case the treatment apparently eradicated a case of melanoma, a dangerous form of skin cancer which had spread through a woman's body to another patient: these lung metastases disappeared after treatment and two others shrank significantly, allowing doctors to remove them surgically. More importantly, the trial introduced an en-

tirely new weapon into the fight against cancer. Said Rosenberg: "This is a new way to treat cancer. The standard ways—surgery, radiation and chemotherapy—have been around for a long time, but there have really been no whole new kinds of cancer treatment developed for decades."

One of the most encouraging aspects of the new treatment is its reliance on the body's natural defenses to fight off cancer. In an article published in last week's edition of the prestigious New England Journal of Medicine, the researchers wrote, "For the first time, we can take the immune system of a patient, after it can see it to cause regression of a tumor." By manipulating the immune system, itself, the researchers were able to devise a treatment that targets out cancer cells for destruction.

By contrast, conventional chemotherapy destroys cancerous and noncancerous cells almost indiscriminately. Even more remarkably, the treatment proved effective against a variety of cancer types. But the NCI study did more than demonstrate the promise of Interleukin-2. It also raised new hope that several similar tumor-combating compounds—including some that are currently being tested—will one day be able to get Interleukin-2 in a whole new arsenal of sophisticated "immunotherapies." These

Peethas, caution



tional chemotherapy destroys cancerous and noncancerous cells almost indiscriminately. Even more remarkably, the treatment proved effective against a variety of cancer types. But the NCI study did more than demonstrate the promise of Interleukin-2. It also raised new hope that several similar tumor-combating compounds—including some that are currently being tested—will one day be able to get Interleukin-2 in a whole new arsenal of sophisticated "immunotherapies." These

Interleukin-2 therapy begins when patients are attached via an intravenous line to a blood centrifuge. During a four-hour period the machine extracts some 30 billion white blood cells from the patient while returning red blood cells through another intravenous line. Meanwhile, the researchers add a large amount of synthetic Interleukin-2 to the white blood cells, and within three days this process transforms them into what Rosenberg calls "lymphokine-activated killer cells." When



Waiting for the cure: the new way to treat cancer

re-injected into the patient, the killer cells immediately begin attacking tumors with a degree of force that an unaided immune system could never attain. And in a final step, the researchers inject the patient with pure Interleukin-2 to intensify and prolong the assault.

Still, the patients whom Rosenberg treated all suffered what he acknowledges were "severe side effects" as they underwent the cell extractions and rejections. The worst effect during Interleukin-2 treatment—apart from a patient's month-long hospital stay—was fluid retention which in extreme cases can cause breathing failure. Indeed, Rosenberg told William Lawler of *Medicine's*, "there is a lot of toxicity associated with the treatment." Compounding that problem is the high cost—approach of \$20,000 per patient. In addition, Rosenberg believes that the procedure's complexity will prevent widespread replication of his experiment at the moment he can only treat eight people at a time. Added Rosenberg: "Solving the problems is going to take a lot of hard work. We have a lot of ideas of ways to make some of these, but I think we are talking years

before this treatment will be widely applicable."

But that work will begin from a broad-based foundation. Several other research teams in countries around the world, including Canada, are studying the promise of Interleukin-2 as an anti-tumor agent. At the National Cancer Institute, Dr. Viree Portillo of the University of Alberta, for one, began using IL-2 to attack tumors in mice in 1979. And dozens of human trials similar to Peethas's are now under way. The San Francisco General Hospital has used it in an attempt—so far unsuccessful—to combat AIDS, or Acquired Immune Deficiency Syndrome. And at the Memorial Sloan-Kettering Cancer Center in New York, Interleukin-2 is now being tested on several dozen patients with advanced cancer. There, researchers are administering Interleukin-2 without taking the steps of extracting and concentrating white blood cells. The reason: Dr. Jonathan Kohn told *Medicine's* that the immense research team hopes that its tests will help determine the body's tolerance for the drug and the severity of its side effects. And he added that the simplified treatment has already produced some results in "some anti-tumor activity."

Doctors at the Marello Nalpathi Hospital in Bologna, Italy, have reported impressive results from Interleukin-2 therapy. Last year they injected 10 patients with the substance and achieved total tumor regression in three of them. Two others experienced 70-per-cent regression, a sixth patient had to have his bladder removed, and four others experienced no change. During the year, the researchers at the Italian team found that single IL-2 injections were inadequate to combat cancers, and as a result they have concentrated on injecting the substance directly into the tumors. Declared Dr. Giovanni Fava, "Theoretically, it is an extremely important breakthrough in the approach to the treatment of cancer. From a practical point of view, so far the results have been sensational."

For his part, Rosenberg said that his team will begin testing Interleukin-2 with several U.S. university hospitals to develop the NCI treatment. Rather, he said that only a few institutions currently possess the proper equipment to duplicate his experiment, but the institute is already studying ways of making the treatment more accessible. One approach is the development of better machinery to ease the extraction of white cells from the patient's body.

At the same time, a cancer treatment based on a portable apparatus capable of extracting and concentrating large profits for private enter-

To that end, many genetic engineering companies are now working toward commercial development of such lymphokines. Interleukin-2, substances which they helped develop for the 801. Indeed, lymphokines are the primary business of Seattle-based Immunex Corp., which produces Interleukin-2. Immunex president Stephen Dusan said that his company has been involved in testing Interleukin-2 on human cancer patients for two years and is currently conducting five trials in cooperation with the NCI. The company is also carrying out other private trials along with Swiss-based drug company Hoffmann-La Roche. Dusan would not reveal the results of those incomplete tests but he is hoping that the research will yield a practical therapy by 1988.

And Cetus Corp. of Emeryville, Calif., another genetic engineering firm which supplies the NCI with a patented brand of Interleukin-2, is also involved in conducting trials of the substance with patients. Dr. Edward Bradley, the company's director of clinical biology, said that he had treated Interleukin-2's worst last year but test results show that it may cause him to change his mind. Said Bradley: "In the next year or two, people are going to realize that this really works, that what scientists have been saying all along is true."

The most intense competition among private corporations revolves the search for other lymphokines that can be genetically engineered for use in new treatments. Cetus is "mimicking the immune system from every angle," said company president Robert Priden. Both Cetus and another firm in the field, Genentech Inc. of South San Francisco, are testing tumor necrosis factor. "Tumor necrosis factor has a very potent effect," said Dr. Jordan Guterman, of Houston's M.D. Anderson Hospital and Tumor Institute. "It kills cancer cells and it kills other cells along. I think that so we get to understand lymphokines more and get them working in combination, we are going to have a major impact on cancer therapy."

Supplementing the new research into lymphokines is the ongoing quest for other cancer treatments using substances known as antitumor. The technique makes use of antibodies which lock on to foreign substances and attack them directly—or signal their poison to killer cells within the immune system. Researchers in dozens of testing programs around the world have already succeeded in attaching potent toxins to cloned antibodies which then seek out—and poison—specific tumors. Now, many of those teams are investigating the possibility of using those antibodies in conjunc-

tion with lymphokine-based therapies. For the most part, the basic research in both immunotherapy and lymphokines has yet to yield proven treatments. But one company, Biotherapeutics Inc. of Franklin, Tenn., is pushing ahead with experimental treatments that use both techniques on a select group of patients. Company president Dr. Louis Berenson told Interleukin-2 that his experience to proceed quickly has annoyed some scien-



There's a need for more advanced tests.

tists. Still, the firm has attracted such top researchers in the field as Dr. Robert Glickman, the founder and former director of the NCI immunotherapy program. Said Berenson: "We believe that the current revolution of biological is such that patients who have real problems should have access to these emerging technological advances." Biotherapeutics has started tests on about 80 patients in a complex program that began with the analysis of a patient's tumor cells to determine which therapy will be most effective against the cancerous growth. Then, if necessary, the researchers will design a specific toxic antibody in order to attack only those cells. But because the process can take up to one year to com-

plete, Biotherapeutics patients must be in fairly stable health. As well, they must be rich enough—designing an antibody treatment will cost \$100,000 alone. Said Berenson: "At this point, only those patients who are financially independent can take advantage of our treatment. We apologize for that but there's nothing we can do about it." The company has also developed an Interleukin-2 treatment that Berenson says is similar to the procedure followed by Rosenburg. Berenson's confidence reflects his belief that so-called biologists—including Interleukin-2, tumor necrosis factor and immunotherapy—are going to be the approach for cancer treatment. But even the most enthusiastic researchers say that their work is only just beginning. Said Berenson's Pathak: "People who talk about using this so-called immune therapy against tumors are fully aware that we know so little about these things that it is conceivable we could destroy the immune system rather than enhance it."

Indeed, most researchers say that more extensive tests will be needed before they can judge Rosenburg's work. And Dr. James Goodwin, a senior researcher at Toronto's Sunnybrook Medical Centre, said that the new treatment may not prove as effective against solid tumors because those growths contain many inactive cells that may not be susceptible to attack by the killer cells. And Dr. Gordon Mills, an immunologist at the Toronto General Hospital, said that the effect of the treatment may not be permanent for cancer patients. Said Mills: "It may not prolong their lives." Added Dr. Taraschuk (above), a leading cancer researcher with the Dalhousie University School of Medicine in Halifax: "There is so much false hope and false expectation that science is demeaned."

Unfortunately, science is also frequently debased by the ravages of cancer. And to many researchers, their patients deserve reassurance. Said Pathak: "The fact of the matter is, if you have patients who are going to die anyway, why not try it?" Presumably, that simple logic motivated many of the doctors who supported the National Cancer Institute last week—in vain. Said one barred nurse: "At this time we cannot do anything for them. And the tragedy is that they don't have the time to wait. They haven't got five years." But if Rosenburg's treatment and similar immunotherapies fail, even a fraction of their promise, they will demoralize the group of a chance which last year slayed more than 40,000 lives in Canada alone.

—JOHN BARBER with DAVID SILBERT in Toronto, WILLIAM LOWTHER in Washington, LINDY OFFIN in New York, SARA SILBERT in Rome and CHRIS WOOD in Halifax

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A Roman Catholic self-examination

Dressed in a black and-gold robe and carrying a crosier and a lighted lamp, a 44-year-old nurse from Fort Lauderdale, Fla., staged a mock mass under the soaring dome of St. Peter's Basilica in Rome last week. Her purpose: to protest the Roman Catholic Church's prohibition against women becoming priests. Accompanied by Marie-Thérèse Scumay, a Belgian who leads a group pressing for the ordination of women, Barbara Burke told the mock mass to pray at an altar and consume a communion wafer consecrated by an American priest. But out of "love and respect" for Pope John Paul II, she did not approach the marble central altar that the priest used to open an extraordinary two-week-long synod of 148 bishops on Nov 13.

They had come from around the world to review the effects of the Second Vatican Council—the historic meeting that introduced such reforms as celebrating the traditional Latin mass in modern languages. But Burke's gesture on the 20th anniversary of the council's closing underscored the demand for change that has buffeted the church since 1965. And although one Vatican theologian condemned her protest as sacrilegious, Burke argued that one of Vatican II's aims was to eliminate discrimination—including that based on sex.

Certainly, Vatican II radically altered a seemingly immutable church. After four years of debate the council endorsed reforms that included increasing the power of local bishops. But the strains that existed between traditionalists and reformers were still apparent as the bishops assembled in Rome. For one thing, Pope John Paul's forthright proouncements against artificial methods of birth control and priests holding secular offices raised questions among many (Rome) Catholics that the conservative priestly would use the meeting to reverse Vatican II's reforms. And Joseph Cardinal Ratzinger of Bavaria, a key papal adviser who is



Bishops at the synod; Pope John Paul II (below); 82 years of age, protest in the basilica

responsible for guiding and promoting Catholic orthodoxy, increased that concern. In a rare interview with an Italian journalist, Ratzinger said that the new church unity expected from Vatican II has not occurred.

But in his opening homily the Pope did not give the assembled bishops any guidelines for their discussions. Instead, he simply encouraged them to rediscover the spiritual climate of Vatican II. To that end, the three Canadian bishops representing 11 million Catholics at the meeting—Archbishop Bernard Robert of Leguano, Que., Archbishop Martin Heinecke of Winnipeg, spiritual leader of 190,000 Ukrainian Rite Catholics, and Archbishop of Halifax—quickly joined the occasionally contentious debates called to order by the Pope as the problems facing a universal church with 825 million members.

For one thing, there was disagreement between liberal and conservative bishops over a school of thought within the Roman Catholic Church known as liberation theology. Liberalists

enjoy widespread support in Latin America, and many priests there have become political activists, arguing that they are fulfilling the church's obligation to support the social and political struggles of the poor. Ratzinger, for one, has criticized liberation theology, saying that it relies heavily on Marxist ideas and encourages class struggle. But last week Jose Juv. Loebinger, a leading Brazilian bishop, presented a spirited defense of liberation theology. Declared Loebinger: "It must be clarified that liberation theology is not a theology of violence or one that pushes toward violence. It is indispensable to the church's activity and to the social commitment of Christians, even if it carries with it risks."

And although the bishops worked strenuously to resolve their differences, at week's end the divisions clearly indicated that the strain within the church could not be resolved by one brief meeting in Rome.

—MALCOLM GRAY in Toronto with correspondent reports



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A stale song and dance

A CHORUS LINE
Directed by Richard Attenborough

Broadway's longest-running musical, *A Chorus Line*, has lost a great deal of electricity in its transfer to the screen. As live theatre, the story of 16 dancers desperately auditioning for a Broadway show has a potent immediacy. It is a commentary on the dynamics of the stage, set with in the theatre itself. But the movie version, which is big and splashy with some stunning dance sequences, is remarkably dull and unengaged. The film, like the live show, has become mangled: the push-button emotions and the United Nations cast, which is contrived to include almost every race and creed. Director Richard Attenborough (Gossett) only slightly expands the surface beyond the confines of the theatre while failing to bring anything new or interesting to the material.

Each character in *A Chorus Line* is a specialty number rather than a real person, and that shortcoming stands out more on the screen. As in the the-



Real, puppets, push-button emotions

atrical version, the hopefuls are more puppets manipulated by Zach (Michael Douglas), the detached director who sits in the middle of the darkened theatre. Having whittled a crowd of performers down to 16—from which he must ultimately choose eight—he forces them to bare their souls. Among them is Paul (Clemens, English), a homosexual who breaks down when recalling his first show-business job in a transvestite revue. The Puerto Rican, Marlene (Yanell Bongso), sings about her inability to feel anything, even when her acting teacher, Dad, and Bobby (Matt Wein) describes moving up in Buffalo, where "coming-out suicide is redundant." But since the eight finalists will merely be members of a chorus, Zach's interrogation of them seems needlessly cruel. In fact, it is their dramatic artifice, an excuse for every character to sing, dance or confess their life story.

The movie version of *A Chorus Line* might have been worthwhile had the actors brought freshness and spontaneity to their roles. But with only a few exceptions, the cast delivers lifeless performances. As Paula, who is neither old to be a chorus girl, Vicki Frederick is tart and feisty. And Charles Hallahan performs a high-flying, acrobatic dance solo on the streetwise Mike. But since none of the performers has a particularly good voice, each moving ballade as *At the Ballet* and *What I Did for Love* have little impact. *What I Did for Love*, sung by Cassin (Alyson Reed), Zach's former girlfriend, has been clumsily staged and poorly shot. Most unfortunate of all is Attenborough's decision to cut *The Music in the Mirror* dance solo, which awfully steps the show during live performances.

The film of *A Chorus Line* is at its best and most energetic during the briefly edited, memorable dance pieces, which have the sensory overload of rock videos. But when each performer steps out of the line to reveal himself, the movie slows to a halt. Although the performers are expert dancers, they are awkward when standing around. And Attenborough keeps cutting in their backbiting as they listen to each other's tales.

Ironically, the "gypsies" whom the movie celebrates have become an endangered species. Few musicals make it to Broadway each year, which gives the movie a special poignancy. But Attenborough's safe and sappy approach robs the dying form of a new life on the screen. In failing to rethink *A Chorus Line* in movie terms, he has attached lead weights to the high kicks.

—LAWRENCE OTTOLE

Portrait of a young sleuth

YOUNG SHERLOCK HOLMES
Directed by Barry Levinson

The idea behind *Young Sherlock Holmes* is a good one. The filmmakers set out to portray Sir Arthur Conan Doyle's sleuth as a young man. To demonstrate how the Holmes myth grew, his budding investigative skills are revealed in a new detective story. But for all its atmosphere and sense of fun, the result is less intriguing and imaginative than the plot itself. The problem begins in the plotting: A hooded figure hits its first victim in the back of the neck with a blow dart. Minutes later the victim, who is dying, begins to hallucinate. His final mistake before his eyes close is a tiny, vicious monster. Later, under the illusion that his room is on fire, he jumps out of a window to his death. Unfortunately, subsequent victims' hallucinations are achieved through atrocious special effects, which jar with the foggy setting of Victorian London.

Two students are drawn into the mystery: the plump, bespectacled John Watson (Alan Cox) and the gaunt Holmes (Nicholas Rowe), whose powers of deduction prove to be extraordinary. Holmes has already developed a theory that the murders involve the living members of an old school fraternity. But the killing hits close to home when the uncle of Holmes's sweetheart, Elizabeth (Sophie Ward), is killed. She and the two young men trace the murders to an ancient Egyptian cult operating in London. When Holmes and Watson are led to a dangerous gang of religious fanatics, the present intrudes again on a past that the film-makers have taken great pains to re-create.

Young Sherlock Holmes bears a strong resemblance to one of producer Steven Spielberg's earlier works, the blockbuster adventure fantasy *Indiana Jones and the Temple of Doom*. Characters fall through rotting floorboards, extras in robes intone mumbo jumbo and creatures exist as mere excuses for special effects. Certainly, there are some sources of delight in the movie. The battle between the cocky Holmes and the sleepish, dumpy Watson is particularly clever. As well, the period design is evocative, and the action moves at a crackleback pace. But in *Young Sherlock Holmes*, such pleasures are merely elementary.

—L. OTT

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Children without a past

THE OFFICIAL STORY
Directed by Luis Puenzo

The Official Story, rated the most popular movie at Teruel's Festival of Festivals last September, describes a shocking situation: The Argentinean film is set in 1980, the final year of power for a military junta that had imprisoned, tortured and occasionally killed alleged subversives. Some of these disappeared, or "desaparecidos," gave birth during their incarceration, and their babies were kept by government officials or adopted by couples in favor with the brutal regime. In *The Official Story* Alicia (Nora Alejandro), a history professor married to Roberto (Heitor Alonso), a prosperous businessman, suspects that her adopted five-year-old daughter may have been one of these infants. Her growing realization of the truth about her daughter's background leads her to a painful and dramatic political awakening. But the film's lack of rhythm and tension undermines the impact of Alicia's moving story.

As a professor, Alicia is old-fashioned and surprisingly naive. She is



Alejandro: a painful political awakening

blindly compliant about the state's actions, refusing to believe that events occurred unless they were officially recorded in books. Alicia only begins to question the government when a former schoolmate, Ana (Chusilona Villafra), who has recently returned to Buenos Aires from exile, confides that she was one of the desaparecidos. Alicia listens in frozen horror as her friend explains that she was tortured and forced to flee Argentina because of her relationship with a politically suspect man. When Ana also mentions the infants who were taken from their mothers, it dawns on Alicia that she may have been an innocent collaborator in one of the most shameful episodes in her country's history. It also becomes increasingly obvious to her that her own husband may have acted in collusion with the junta, profiting from its atrocities.

As the portrait of a woman gaining political awareness, *The Official Story* has few surprises. The plot follows a disappointingly predictable course after Alicia's and Ana's reunion. And for foreign viewers the film is often confusing. Writer and director Luis Puenzo has included lengthy discussions of earlier Argentinean history, which was just as turbulent as the period under the junta. But he fails to provide a historical context, so that the connections between the past and present remain frustratingly vague.

The *Official Story's* largest flaw is its disjointed structure. Some scenes—including the reunion of Alicia and Ana—are emotionally gripping, but they soon lose their power. The film jumps abruptly from episode to episode, with only a sentimental piano score to provide continuity. At the same time, Alicia's husband is a mere presence instead of a character. His shady business dealings appear to be connected to the current regime, and there is a strong suggestion that he had informed on Ana. But viewers may feel cheated by the obscurity that constantly surrounds him, especially when the film's purpose is to expose the truth about a corrupt regime and the people who collaborated with it.

Despite its flaws, *The Official Story* includes some excellent performances. Alejandro is particularly powerful as a woman who is suddenly aroused to grow up. With accuracy and grace, she conveys Alicia's metamorphosis from fearful mother, wife and professional to someone who is beginning to live intensely for the first time in her adult life. But her performance is not enough. *The Official Story* has worthy intentions, but its power is diluted by fractured storytelling.

—LORAIN STOKES

BEST OF TIMES



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TECHNOLOGY

Redesigning the rifle

Since the mid-19th century the principle of firing small arms—rifles, revolvers or pistols—has remained the same. The gun's firing pin strikes a primer in the base of a brass cartridge containing gunpowder and a bullet. The primer ignites the gunpowder, the resulting pressure forces the bullet through the gun barrel, and the spent shell is ejected. In recent years, though, the U.S. defence department has fostered the development of new weapons based on a different technology: *casualty cartridges*, which eliminate the brass casing because the powder—in a moulded form—is attached directly to the bullet. But the Pentagon's pursuit of the new technology even as it equips U.S. soldiers with an improved version of the standard infantry rifle—the M-16A2—has sparked a debate among arms experts. Indeed, Maj. John Mullaney, director of the Canadian Armed Forces' \$60-million program to replace Canada's standard Fx rifle with \$0,000 M-16s by 1990, says that the U.S. decision may be premature. Said Mullaney: "The M-16 was the best rifle we found during trials."

Most arms experts agree that the \$0-million M-16—manufactured by Hartford, Conn.-based Colt Industries Inc. and adopted as the U.S. Army's standard rifle in 1967—is a dependable weapon. But U.S. officials hope that new rifles with *casualty cartridges* will be far superior and that the new technology will eliminate many of the problems that currently plague combat weapons. For one thing, spent cases often jam a rapid-fire, automatic rifle such as the M-16. And the spring necessary for ejecting the cases allow dirt to enter a rifle—another common cause of jams. As well, quantities of *casualty cartridges* will be lighter and more portable than traditional ammunition.

In fact, at least two Pentagon contractors—West Germany's Heckler & Koch and Maryland-based AAI Corp.—are now developing the new weapons and ammunition. But according to Toronto's R. Blake Stevens, an international arms authority and author of eight books on small arms, no one has yet been able to manufacture a reliable prototype. One reason, because ballistics firing creates heat buildup in the rifle's chamber, the moulded powder often ignites spontaneously.

Stevens adds that another problem results from research now being con-



U.S. soldier with M-16: new arms

continued on developing an even smaller, 17-calibre *casualty cartridge* rifle. Although such a weapon would be lighter than a 20-calibre rifle, Stevens says that it is extremely difficult to manufacture a straight barrel with a bore that small. Added Stevens: "It is the Pentagon's job to push as hard as it can to get a better weapon. But it has to work before [the defence department] starts making it."

Still, most experts agree that *casualty cartridge* weapons will someday be perfected. Said Mullaney: "A working *casualty cartridge* rifle is probable before the turn of the century." But although Mullaney says that he is not convinced the new technology will represent a significant improvement, many experts say Pentagon-funded research is already under way that may advance the new, lighter rifles into what seems like the realm of science fiction. For one, developments in the field of artificial limb technology mean that when *casualty cartridge* rifles are perfected, they may ultimately be designed to be fitted closely to a soldier's arm—and fired by nerve impulses alone. First, though, the defence department has a more immediate problem: getting the *casualty cartridge* rifle to work.

—G. N. TED DENTON in Toronto



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A taste of free liquor

Customers visiting certain liquor stores across British Columbia are encountering a novel dose of seasonal cheer—free samples of selected brands in paper cups. Patrons at 43 of the 206 provincially operated outlets can sample spirits, liquors and beverages in a marketing ploy more commonly used in supermarkets to promote new products, test-drive taste testing. The program, which began last month under the supervision of the B.C. government's Liquor Distribution Branch (LDB), is part of an aggressive campaign by distillers to halt a 20-per-cent decline in hard-liquor sales since 1981. Five distillers are now presenting their wares in B.C. stores, following similar programs in Alberta and Quebec during the past two years. Devalued Lewis Cellars, marketing director for the Adams Distillers Group Ltd. of Toronto, "We believe that this is the most direct way of presenting our product to consumers."

In Ottawa spokesman for the 23-member Association of Canadian Distillers said that high taxes, a ban on

television advertising and a growing consumer preference for wines and other beverages have hurt liquor sales and prompted manufacturers to adopt more aggressive marketing techniques. Declared association president Ken Campbell, "In-store marketing is important because we are reaching a con-

The program is part of a campaign by distillers to halt a 20-per-cent decline in hard-liquor sales since 1981

sumer who is there to buy." Still, the association's goal of conducting taste tests in provincial liquor outlets across Canada has generated opposition from such organizations as the Vancouver-based Alcohol-Drug Education Service. Arthur Steinmann, executive director of the nonprofit organization, said that the sampling promotes liquor at a time

when the average Canadian already consumes the equivalent of 18-21 litres of pure alcohol each year.

For his part, LDB general manager Robert Wallace argues that the program contains adequate safeguards against abuse. For one thing, the distillery sales representatives attempt to limit the samples to one 100-cc cup per customer. And sales representatives must also provide "spit cups"—for these customers who want to taste but do not wish to swallow the free alcohol. Distillers can distribute only one brand of liquor during each three-day tasting period. And federal law requires the distillers to purchase their own products—at retail prices—in the outlets where they are offering free samples. As a result, Adams Distillers, which markets Gordon Gin and Meyer's Original Rum Cakes—products that will be among the free samples offered in B.C. outlets—purchases and distributes \$2,500 worth of liquor during a single test. But marketing director Catapano will continue the spending because the program allows him to reach 1,500 potential customers in each three-day period. Nine he and the other distillers are waiting to see if these introductions produce more permanent—and profitable—relationships.

—DEAN JEFFREY STREET in Toronto



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AIR CANADA

Curbing child mortality

Each year more than 600,000 children in Third World countries lose their sunlight. The reason: their diets are deficient in vitamins A, contained in such foods as spinach and mangoes. In an effort to alleviate that tragic consequence of poor nutrition, officials in countries like Indonesia and the Philippines have launched vitamins A programs and have sought help from international specialists. Indeed, the United Nations Children's Fund (UNICEF) makes vitamins A programs among its most urgent priorities. And the preliminary results of a study by researchers at Johns Hopkins University in Baltimore, Md., suggest that the vitamins may be even more important than experts have realized. The U.S. researchers, who will publish their findings next year, found that regular large doses of vitamin A not only help to prevent childhood blindness but may also reduce childhood mortality by as much as 20 per cent in regions with vitamin A deficiency.

In 1982 Dr. Alfred Sommer, director of the Johns Hopkins International Center for Epidemiology and Preventive Ophthalmology, in conjunction with the Indonesian government and the New York-based blindness prevention agency Helen Keller International, launched a vitamins impact study on the northern tip of the Indonesian island of Sumatra. According to Johns Hopkins nutritionist and team member Keith West, researchers first examined 27,000 children under the age of 6. Then, trained local residents administered 200,000 units of vitamin A and 40 units of vitamin E to single gelatin capsules—in about half the children at six-month intervals. A year later scientists re-examined all the children. Although West says that the data are still being analyzed, he says preliminary results indicate that those children who received the vitamin A supplement suffered a mortality rate between 22 and 35 per cent less than children who did not take vitamins A.

According to a 1984 report in the *American Journal of Clinical Nutrition*, a government of Indonesia study among 4,000 children on the island of Java in 1978-79 had already revealed that vitamin A deficiency might increase the risk of infection in children. At that time, researchers reported that children suffering from eye disease as a result of vitamin A deficiency were two to three times more likely to suffer such ailments as respiratory

disease and diarrhea. In explaining their findings West and Sommer said that the vitamins may have a positive effect on the mucous membranes that line the respiratory, urinary and intestinal tracts and act as a barrier against bacterial infection.

Still, the Johns Hopkins scientists

say that further studies must be done to determine whether vitamins A supplements have a similar effect in other cultures. Added University of Toronto nutritionist George Bousas, who serves on the United Nations Advisory Committee on Nutrition, "Like many people, I am waiting eagerly for the published results. But because the effect was unexpected and because the study was not designed to establish the link between vitamin A and mortality, it is necessary to be cautious."

—ANN FINKELBERG in Toronto

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CONSUMERISM

New tastes for seniors

In their nostalgia for "the good old days," senior citizens frequently complain about the poor quality of modern food. In fact, it is often not the food that has declined but their own senses of taste. Some researchers believe that as a result many elderly people do not enjoy meals or eat enough to stay healthy. One of them is Susan Schiffman, a professor of medical psychology at Duke University in Durham, N.C. She is developing substances that can be sprinkled on food to stimulate or intensify natural taste and odor. Said Schiffman: "I am trying to enhance the flavor of foods so that old people will eat enough to get necessary vitamins and nutrients."

Using a chemical process that separates food into its basic components, Schiffman has been able to identify several molecules that create particular tastes or odors and to reproduce them in crystal form. Unlike traditional additives, the crystals do not add new flavors, rather they enhance natural flavors. Nor do they produce more allergic reactions or side effects than the foods themselves. In addition to enhancing flavors for seniors, Schiffman has also sprinkled cream cheese crystals on a bread for patients who cannot eat dairy products. But so far, bread crystals have proven most popular. Said Schiffman: "They contain no fat or salt and they taste terrific."

The process of flavor extraction is not new, but in 1979 Schiffman was the first to publish a report on its therapeutic use. Since then, she has been refining that application in tests on seniors. Still, not everyone is convinced that it will be helpful. Magdalene Krendl, a nutritional scientist at the University of Toronto, says that flavor enhancement is not likely to overcome the effects of drugs, depression or illness, which often suppress appetite of the elderly. But Schiffman, who recently received a \$69,000 grant from the U.S. Food and Drug Administration's Association to continue her research, believes this marketing presents the only obstacle to the acceptance of her crystals. She declared, "We have to appeal to elderly people without making them feel old." And that job will require skills beyond the bounds of molecular science.

—ENEL BOSTON in Toronto

BOOKS

A celebration of printed pleasures

As surprises as holiday feasts, the season's gift books appeal primarily to the senses. But their heavy paper stock, dazzling illustrations and sheer bulk often accompany texts rich in thought. Among this year's lovely new gift books that also offer serious, reading- or even practical pleasures for travellers, cooks and gardeners.

Some of the books, chronicling vanished ways of life, leave a bitter-sweet aftertaste. Others carry the tang of exotic places. Altogether, they constitute a visual banquet whose delights remain long after the holiday toiles have been discarded.

For pragmatists, the best gifts are those that indulge and instruct at the same time. A fine complement to the gastronomic pursuits of the season is *Cyprian Wine's Jewish Wine Table: An Indulgent Look at Food in Canada* (Prentice-Hall, \$29.95). The 65 clearly printed recipes that Wein, a former contributor to *Maclean's* and food critic for *Riverdale's Magazine*, has collected—from ragged-looking pictures to elegant haute-taste—make the book as comfortable in the kitchen as it is on the coffee table. Meanwhile, Wein takes the reader on an entertaining and tantalizing culinary journey through private kitchens, farmers' markets and church bake sales across Canada, where she has found an understanding of superb regional cooking. Accompanying her

very authoritative commentary are graceful, vivid watercolors by Newfoundland painter Mary Pratt, which admirably capture the visual appeal of simple, home-cooked food.

Sometimes the best presents are unpredictable treasures that people would not buy for themselves but which friends know will have the power both to surprise and charm. One of the season's most entertaining books is *Canada's Oldest Living (Shedler, \$24.95)*, with a text by Patricia Pierce—a collection of black-and-white photographs which shows a

young and untanned land peined on the brink of sudden growth into nationhood. Discovered in London's British Library in 1979, the photographs date from 1886 to 1926, when the British Colonial Office required Canada to send copies to Britain of all material



Mont's The Japanese Woman capturing magic moments

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The book includes such historically important subjects as Prime Minister Sir Wilfrid Laurier and Margaret Atwood's *Road Anecdotes*, as well as evocative photos of ordinary people enjoying daily pleasures. But its most arresting pictures feature native Canadians—including a pregnant Seneca Indian with a pipe and a Cree brave in magnificent beaver and fur. Such images capture the last vestiges of a traditional way of life. By 1906, French sets reserves, Indians had leached their first legal rights for land claims.

Written Pierce: "The exposures on their faces show their lives and future in a way words could not."

These themes also haunt the pages of Edward S. Curtis, *The Life and Times of a Shadow Catcher* (Bantam Books, \$50), a collection of works by

one of the most celebrated photographers of North American Indians. The book contains previously unpublished pictures as well as a biography, begun 1900, of the Seattle photographer turned his back on his thriving society-portrait business and poured his energies into capturing on film the survivors of the once-great tribes of the United States and Canada. His photographs are undeniably re-stimulated—Curtis usually posed his subjects to pose in traditional clothing—but they convey with extraordinary power the dignity of the first North Americans. The faces of the aged war chief Geronimo and the severely beautiful Hips, a young Hupa girl, linger in the mind long after the volume has been closed.

The human face is also the source of fascination for Gisèle Freund, who has written as a photographer in Paris for 50 years. Her collection of color portraits of famous writers and artists, *Gisèle Freund: Photographer* (Prentice-Hall, \$65), presents more than 100 talents plotting, planning, smoking cigarettes or gazing dreamily off into

the distance. Although the photography seems strangely pedestrian, many of the faces are fascinating: writer Jean Cocteau looks like a man who needs a drink. Apparently, Freund lacked an igniting way with her subjects. Virginia Woolf, who looks decidedly pained in her portrait, later described the photographer as a "devil woman" in her diary. Freund's text is sharp, her collection makes a better souvenir than any art book.

A more satisfying marriage of photographs and text is *David Adams: An Autobiography* (McClelland and Stewart,

art, 1906, which the 60-year-old photographer wrote shortly before he died in 1964. The result is one of the season's most generous gift books. Adams was a spellbinding photographer as well as a writer, adventurer, environmentalist, mystic and, whenever possible, life of the party. He had a knack of capturing magic moments, not just in nature but in friendship, his anecdotes about working with master photographer and crank Alfred Stieglitz and camping in Yosemite National Park with friends including Stieglitz's wife, painter Georgia O'Keeffe, are as lively as his pictures. Although the book's images are familiar—a cold moon over dark water, snow drifting off a mountain peak—their effect is as fresh-spirited as ever. Adams's writing, like his photography, is luminous, tender and exact.

For her part, O'Keeffe receives her due in the lush flower paintings and wistful landscapes reproduced in *The Art & Life of Georgia O'Keeffe* (Grosset Publishing, \$45). The pictures reveal far more about the pioneering American artist than author Jan Garden Carter's text does. Beginning with O'Keeffe's birth in rural Wisconsin in 1887, Carter traces her rise as one of the first prominent female Western artists. Unfortunately, the author provides little insight into O'Keeffe's eccentric personality or her strong enclaves to Stieglitz. Still, the artist's fierce spirit emerges in the book's illustrations. Her close-ups of flowers demonstrate O'Keeffe's mastery of intense colors and sensuous lines.

Almost every year, because of the perennial appeal of the Impressionists, many redneck publishers bring out a hastily produced gift book featuring their work. This year one major offering is *Musee, A Retrogressive Gallery* (Macmillan, \$95.95), edited by Charles F. Brackley, curator of 19th-century European paintings at the National Gallery of Art in Washington. Its 122 color plates include a striking, almost garish work, *The Japanese Woman*, and four full-page reproductions of Monet's *Water Lilies* series, illustrating the imaginative breadth that he brought to this simple subject. While one work features lambskins, Harry Mann to recreate still reflections, another uses swampy earth tones and vigorous strokes to suggest a body of water teeming with life. Still, what makes the book particularly moribund in its taste, the apocryphal commentary by Monet's friends, contemporaries and critics. One of the most memorable remarks is by the master himself: "I would like to paint the way a bird sings"—and, indeed, his paintings' interplay of light and color is as great a lesson to the spirit.



A field of English heath: the 'moment of perfection' and the power to surprise

Monet's garden at Giverny, a haven 85 km from Paris, is the most characteristically lush and overgrown of the gardens featured in *Visions of Paradise: Flowers and Vegetation on the Garden* (Blackbird, \$40). A beautifully photographed book, it is aimed at those who are fascinated by peering over someone else's walls—from the delicate floral abundance of Giverny to British author Vita Sackville-West's stone settings for purple and white thistles in Kent, England.

Born-born photographer Marina Schenk, renowned for her work in such U.S. publications as *Musee & Garden* and *House Beautiful*, clearly has the eye and passion of a true gardening

enthusiast. She is dedicated to capturing what she calls the "moment of perfection" in the Western world's finest gardens, from modest cottage plots, main houses and herb and kitchen gardens to the symmetry of sculpture, fountains and terrace gardens dating from the Italian Renaissance. The text, written by New York landscape architect Susan Lattfield, rambles through a history of horticulture, with interesting side trips into the Asian origins of the applicant and the fact that the rose was made fashionable in France by Empress Josephine, wife of Napoleon. One of the book's flaws is that the text is too often out of step or unrelated to the adjacent photographs.

The quest for botanical exotica is both the source of delight and the liability of one of the season's most unusual picture books, *The Art of Clapnet Cook's Voyages* (The Art of Clapnet Cook's Voyages (Doubleday & Company, \$25.95). It is a symphony, two volumes collecting the paintings and drawings made by the official naval artists who accompanied the great 18th-century explorer on his first two trips to the Pacific. The artist's works are full of such surprises as the strange stone hats that used to be sold on the Easter Island natives. Particularly expressive are William Hedges' colorful renditions of the haze, cruise war scenes coming against the sultry drama of the Tahitian landscape. But the lengthy text mutes the art in exhaustive, scholarly detail. The opulent production is only for the most

dedicated of armchair adventurers.

The alchemy that transforms travel fantasies into ticket-buying tourists is the subject of a thought-provoking book by film-maker and author T.C. McEwan, daughter of communications theorist Marshall McLuhan. *Devon Tracks: The Railway and the American Indian* (1991, \$35) (Prestige-Hall, \$35) is particularly strong when it focuses on how the Santa Fe Railway's advertising department exploited emerging enthusiasm for the western wilderness to promote tourism in New Mexico and Arizona. Most of the book's illustrations of Indian life, as well as the region's raw-Santa Fe scenery, are taken from the hand-colored leather slides that the railway used to entice tourists into its luxurious "Indian diners."

At times, McEwan's accompanying prose gives an accompanying as the passed photographs. But in the case her account of how tourism reduces culture to what she calls "theme park scenery"—and the book's arresting images—more *Devon Tracks* challenge as well as reassure.

Packaging the romantic appeal of the rails has been a Canadian tradition at least since *From Britain's Shores* found their way into wrapping paper. This year a classic gift book is *Railway Country: Across Canada By Train* (Key Porter, \$39.95), which displays the national rail network as a vibrant force. Photographer Dudley Witney's 126 photographs have a ruggedness that lifts *Railway Country* above staid nostalgia. He is alert to the old beauty of industrial objects and finds it in such unexpected places as the side trip into the Asian origins of the applicant and the fact that the rose was made fashionable in France by Empress Josephine, wife of Napoleon. One of the book's flaws is that the text is too often out of step or unrelated to the adjacent photographs.

Exquisite prose and imagery, the best elements of a gift book, come together in *Isak Dinesen's Africa: Images of the Wild Continent from the Writer's Life and Words* (Doubleday & Company, \$40). After returning to her native Denmark and the island of the plantations where she had lived until 1931, Danish-Born Karen Blixen was haunted by memories of Africa's beauty. Taking the pseudonym Isak Dinesen, she described her 14-year sojourn in the "wild country" in *Out of Africa* and *Seven Years in the Desert*. From the writer's elegant work provide a text that includes moments of magic. Dinesen recalls a rainy African night as "soft, deep and pregnant with beneficence." With 39 black-and-white archival photographs and 380 color images by several photographers,

the book is a tribute to the splendor of a lost home.

The intensity of artist and nature has long characterized the work of the Irish. *Kennedy's (Pirelli Books, \$40.95)* is a retrospective of the visionary work of the 80-year-old Cape Dorset artist. The fascicles of a 1961 limited edition, it contains 160 etched reproductions of Kennedy's prints, drawings and sculpture, including the poet, generously featured, stone-out owl prints that have made her world-famous. Kennedy is at her best in her printed scenes of survey animal and human figures which express the bonds between the land and the creatures who share their barren land.

Unfortunately, Jean Bédouet's plotting text does little to explore that mystical Kennedy's own autobiographical series, which open the book, offer understanding of a woman scarred by the tragic loss of her youngest children and guided by her unconscious. Almost unaware of her process, Kennedy feels, "You have to have a lot of heart to be an artist." But heart is essential, too, and her ability to find artistic pleasure in a snowbound land offers a valuable seasonal message.

—MARK ARLEY, JOHN BARBER, JEFF MERRILL, AMELIA PIERANTINI, PETER GUNFEN, PATRICIA LUTHER, MARCO LUTHER, VALERIE ANN WILSON

MACLEAN'S BEST-SELLER LIST

Fiction

- 1 *The Marmalade Boy*, *And (2)*
- 2 *Thomas, the Boy*
- 3 *The Riddle of the Sphinx*, *And (2)*
- 4 *Conan, the Boy*
- 5 *What's Best in the House*, *Devon (2)*
- 6 *The Red Fox*, *And (2)*
- 7 *Secrets, the Boy*
- 8 *Locks, the Boy*
- 9 *Stolen, the Boy*
- 10 *Break In, the Boy*

Nonfiction

- 1 *Strategic from the Heart*, *Christie (2)*
- 2 *Company of Adventurers*, *Newman (2)*
- 3 *Isaacson, the Boy*, *And (2)*
- 4 *Yessie, the Boy*, *And (2)*
- 5 *The World of Robert B. Berman*, *Devon (2)*
- 6 *Elvis and Me*, *Presley with Newman (2)*
- 7 *Dancing in the Light*, *McGraw (2)*
- 8 *Mad Kids, the Boy*
- 9 *Elvis, the Boy*, *And (2)*
- 10 *The Secret Journals of L.M. Montgomery*, *Edited by Bodo and Widdowson (2)*

MACLEAN'S DECEMBER 16, 1992



VA train in British Columbia: alert to the odd beauty of industrial objects

Discovering the fate of the world

By Allan Fotheringham

I believe it was Scott Young, the head of Manitoba, who once said that the worst thing about writing is that you can do it anywhere. Entirely correct. The dentist, once he leaves his office at 5 p.m., cannot pack his equipment with him into the bush where he is supposed to be fishing. The brain surgeon cannot take his work home with him on the weekend. The writer, alas, can—and does—practise taste sedulously, packing his quill pen with him wherever he attempts to flee. He can't get away from it.

A long weekend's work can take in a large chunk of the continent, thanks to the geo-guiding skills of a modern jet that disports you across the new brand of cardboard called food. This is a confused man's duty of ease attempt to avoid work.

Washington is just sobbing from his 73rd room into the few men who dare that he bachelingly calls winter. At the Minneapolis-St. Paul airport, soft fumes filter down. The denseness of the terminal do not hurry rapidly—as they do at the Washington airport, as if the fate of the world depended upon them not missing a plane (it does). The honky streak of Minnesota stroll and look about them, much heavy clothing and rough boots. You can see why the store God Grant, who refused to let his football teams have hosiery or hand-warmers, has never strayed from the Minneapolis-Winnipeg axis. One expects to see Paul Raygan at the ticket counter.

Winnipeg is the most staid town west of the Maritimes. It is not going anywhere, and it does not seem to mind. At least, not to care. That is the first step toward wisdom. The taxis represent this calm, the slowest-moving taxi in the land. Perhaps 35 m.p.h. in their top gear. It is 25th on the street corner, not a pleasant place for a chap trying to catch a speeding jet. A tall Terry in a Volvo happens by, but, alas, has acquired the Winnipeg Disease: i.e. the taxi driver's speed limit. *Allan Fotheringham is a columnist for Southern News.*

The place is mixed, and therefore one must needs to be most desirous of all writing.

In Saskatoon, for an encounter with the commerce faculty of the University of Saskatchewan, it is 30th. No place for a chap with light socks. The students have that challenge, seen in recent years in this province, that comes from the belief that they are as good as anyone anywhere; as open, no-nonsense sense of humor, the burden of the pecking order not heavy on their shoulders, kids who are having fun. It is hard to believe, but it is not Central



Canadian Career Obsessed, not British Columbia, not Alberta.

The unseasonal chill makes Vancouver even more beautiful than ever, which is difficult. A slight dancing of snow in the hills fringing the highlights as the hills leading down to the flat water whose sailboats, in December, scud around the rusting freighters that, empty, sit high in English Bay waiting their turn while the immigrants go into their usual Christmas yams. The object of the exercise is the annual St. Andrew's Ball, a full-costume demonstration of the fact that the Scots are the most professional ethnics of all. Aside from raising the banking system and taking over much of the medical profession, they retain their tribal integrity, full of mamba jambo from the butcher that would be regarded as religious civil from any other race. The Scots, the most drab in dress in the daytime, like the peacock rely when released from ritual on nights like this. Is there any man, any-

where, more focused with graceless-ery than an adult male in full regalia, with ruffles at the throat, that strange hairy thing called a sporran that supposedly holds his loose change, dandy shoes, socks, dirt and who-knows-what other hidden weapons secreted on his body?

There are so many people who like dressing up (and who fear the power of the Scots, since they control the banks and the operating room) that the affair attracts every year the lieutenant-governor as his representative, this year Flora MacDonald (who knows how to dress Scottish and looks like it) and two cabinet ministers at the head table who want to be premier. Also a blond daughter of one participant who turns heads everywhere.

Chosen on the way to Boston, really is a broad-shouldered town, existing in the fact it once again has the best team in football, the Minnesota Vikings, who are fueled by their 300-lb. lineman/rustling beef William (the Refrigerator) Perry who, as has been said, is the greatest use of fat since the invention of beer.

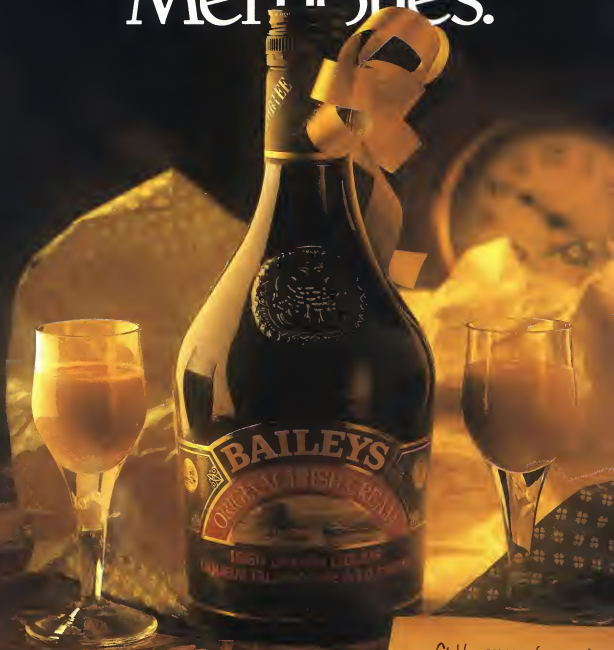
Harvard, being the destination, is the opposite, the home of earth, the oldest university in the United States, starting up in 1636, its traditions and its excellent superiority flowing from some. There are some colleges in the Boston area, ranging from mighty Harvard, which also happens to be one of the most richly endowed universities in the world, to the Massachusetts Institute of Technology to Brandeis and Deag Photo's Boston College. In the current college make, the students dress like refugees from the Vietnam jungle. The professors are armed in twos and are as impervious as the architecture around them, which reaches back farther than most universities can remember their history. The people around the Harvard Yard regard Washington as a harassed way station where people who do not have time to think pass some time.

When one gets off at the Washington airport, there are men in sterner suits scurrying about frantically as if the world will end if they miss a plane. It will.



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